Report of the Comptroller and Auditor General of India

on

STATE FINANCES

for the year ended 31 March 2010

(Report No.1)

2

GOVERNMENT OF TAMIL NADU

9059

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Government of Tamil Nadu

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PREFACE

1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution.

2. Chapters I and II of this Report respectively contain audit observations on matters arising from examination of the Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2010.

3. Chapter III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.

EXECUTIVE SUMMARY

Executive Summary

Background

In response to the Twelfth Finance Commission's recommendations, the Tamil Nadu Government enacted its Fiscal Responsibilities and Budget Management (FRBM) Act, entitled the Tamil Nadu Fiscal Responsibility Act, 2003, with a view to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit, sustainable debt management consistent with fiscal stability, greater transparency in fiscal operations of the Government and conduct of fiscal policy in a medium-term fiscal framework. The State Government's commitment to carry forward these reforms is largely reflected in the policy initiatives announced in its subsequent budgets. The benefits of FRBM legislation have been realised to a great extent already, in terms of reduction in deficit indicators.

The State Government has done well in establishing an institutional mechanism on fiscal transparency and accountability as evident from the year-on-year presentation of data on State finances. This data, however, does not give the big picture of the status of financial management including the debt position, off-budget liabilities, cash management etc. for the benefit of the State Legislature and other stakeholders.

The report

Based on the audited accounts of the Government of Tamil Nadu for the year ending March 2010, this report provides an analytical review of the Annual Accounts of the State Government. The report is structured in three Chapters.

Chapter I is based on the audit of Finance Accounts and makes an assessment of the Government's fiscal position as at 31 March 2010. It provides an insight into trends in committed expenditure and borrowing pattern, besides giving a brief account of Central funds transferred directly to State implementing agencies through the off-budget route.

Chapter II is based on audit of Appropriation Accounts and gives a grant-wise description of appropriations and the manner in which the allocated resources were managed by the service delivery departments.

Chapter III is an inventory of the Government's compliance with various reporting requirements and financial rules. The report also has additional data collated from several sources in support of the findings.

Audit findings and recommendations

Fiscal discipline: The Government's gains in achieving revenue surplus, suffered a set back in 2009-10 due to the slump in the economy, impacting its revenue receipts and resulting in revenue deficit.

Need to compress Non-Plan expenditure: The revenue expenditure was 84.53 *per cent* of the total expenditure, of which 78.49 *per cent* was under

Non-Plan. Non-Plan expenditure increased by 8.2 *per cent* against the increase of 21.21 *per cent* in Plan expenditure under Revenue heads. Moreover, the committed expenditure comprising salaries, pension, interest payments and subsidies constituted 87.04 *per cent* of Non-Plan revenue expenditure during 2009-10.

Review of Government investments: The average return on the Government's investments in statutory corporations, rural banks, joint stock companies and co-operatives was 0.43 *per cent* in the last three years while the Government paid an average of 7.97 *per cent* as interest on its borrowings during this period. This was obviously an unsustainable proposition. The Government should, therefore, hasten to seek better value for money in its investments. Otherwise, high-cost borrowed funds invested in projects with low financial returns will continue to strain the economy.

Increasing fiscal liabilities accompanied by negligible rates of return on Government investments and inadequate interest cost recovery on loans and advances might lead to a situation of unsustainable debt in the medium to long run unless suitable measures are initiated to compress the Non-Plan revenue expenditure and mobilize additional resources both through tax and non-tax sources.

Delays in completion of projects: Inordinate delays in completion of projects, particularly irrigation projects in the State resulted in blocking of capital. Therefore, adequate priority should be given for project planning and implementation mechanism so as to address the inadequacies and to avoid further time and cost overruns.

Debt sustainability: Rising debt-GSDP ratio as indicated by quantum spread together with Primary Deficit turning negative, increased net availability of borrowed funds and the negative resource gap (₹ 3,259 crore) was a matter of concern. This was a result of insufficiency of the incremental non-debt receipts (₹ 1,455 crore) to meet the incremental primary expenditure (₹ 4,010 crore).

Financial management and budgetary control: During 2009-10, there were overall savings of ₹ 8,878.44 crore, which were a result of the total savings of ₹ 8,933.04 crore being offset by the excess of ₹ 54.60 crore. This excess requires regularization under Article 205 of the Constitution of India. Cases were noticed where the amounts surrendered were in excess of the actual savings, indicating lack of or inadequate budgetary control. As against savings of ₹ 3,620.04 crore, the amount surrendered was ₹ 3,988.55 crore, resulting in excess surrender of ₹ 368.51 crore. There were four grants/appropriations in which savings of ₹ 221.98 crore occurred but the amounts had not been surrendered by the concerned departments. Similarly, out of total savings of ₹ 5,044.96 crore under 35 grants/appropriations, ₹ 653.66 crore was not surrendered. Budgetary controls should be strengthened to avoid such deficiencies in financial management. Last minute fund releases and issuance of re-appropriation/ surrender orders should be avoided.

Financial reporting: The State Government's compliance with various rules, procedures and directives was unsatisfactory which was evident from the delays in furnishing utilization certificates against the loans and grants received from various grantee institutions. Submission of Annual Accounts was delayed by 261 autonomous bodies/authorities receiving Government grants. The Government reported 228 cases of shortage, theft, losses etc., involving Government money amounting to ₹ 2.26 crore up to March 2010, on which final action was pending. Departmental enquiries in respect of all misappropriation cases should be expedited to bring the defaulters to book. Internal controls in all the organizations should be strengthened to prevent such cases in future.

CHAPTER I

FINANCES OF THE STATE GOVERNMENT

CHAPTER I

FINANCES OF THE STATE GOVERNMENT

1.1 Introduction

Tamil Nadu is one of the most urbanised States in India. Tamil Nadu has a total of 32 districts. The population growth of Tamil Nadu in the current decade was 7.03 *per cent* which was far less than other general category States (13.42 *per cent*) **(Appendix 1.1)**. The Gross State Domestic Product (GSDP) of Tamil Nadu State has been growing at a compound annual growth rate (11.04 *per cent*) which is lower than other general category States (12.54 *per cent*) for the period 2000-01 to 2008-09. As far as social indicators are concerned, Tamil Nadu has fared better than National average in respect of Population below poverty line (22.5 *per cent*), literacy (73.45 *per cent*), infant mortality rate (31 per 1000 live births) and Life expectancy at birth (66.2 years). Though Tamil Nadu State has lower urban inequality (0.36) compared to All India average (0.37) the States rural inequality (0.32) is higher than All India average (0.30).

This chapter provides a broad perspective of the finances of the Government of Tamil Nadu during the current year and analyses critical changes in the major fiscal aggregates relative to the previous year, keeping in view the overall trends during the last five years. The structure of Government Accounts and the layout of the Finance Accounts are shown in **Appendix 1.2.** The methodology adopted for the assessment of the fiscal position of the State is given in **Appendix 1.3.** A time series data on State Government finances is given in **Appendix 1.4.**

1.1.1 Summary of Current Year's Fiscal Transactions

Table 1.1 presents the summary of the State Government's fiscal transactions during the current year (2009-10) *vis-à-vis* the previous year while **Appendix 1.5** provides details of receipts and disbursements as well as the overall fiscal position during the current year.

Table 1.1: Summary of Current Year's Fiscal Operations

(₹ in crore)

2008-09	Receipts	2009-10	2008-09	Disbursements	2009-10		
Section-A: Revenue					Non Plan	Plan	Total
55,042	Revenue receipts	55,844	53,590	Revenue expenditure	46,602	12,773	59,375
33,684	Tax revenue	36,547	18,578	General Services	20,275	22	20,297
5,712	Non-tax revenue	5,027	21,371	Social Services	13,267	9,690	22,957
8,511	Share of Union Taxes/ Duties	8,756	9,661	Economic Services	9,349	2,273	12,122
7,135	Grants from Government of India	5,514	3,980	Grants-in-aid and Contributions	3,711	288	3,999

Table 1.1: Summary of Current Year's Fiscal Operations (concld.)

(₹ in crore)

2008-09	Receipts	2009-10	2008-09	Disbursements	2009-10		
Section-B: Capital					Non Plan	Plan	Total
..	Misc. Capital Receipts	--	9,104	Capital Outlay	148	8,425	8,573
1,934	Recoveries of Loans and Advances	2,587	2,830	Loans and Advances disbursed	2,368	633	2,290
11,841	Public Debt receipts	15,557	2,216	Repayment of Public Debt	**	**	2,512
..	Contingency Fund	1	1	Contingency Fund	**	**	..
81,409	Public Account receipts	87,275	78,429	Public Account disbursements	**	**	85,256
12,173	Opening Cash Balance	16,229	16,229	Closing Cash Balance	**	**	19,487
1,62,399	Total	1,77,493	1,62,399	Total			1,77,493

(Source: Finance Accounts for the years 2008-09 and 2009-10)

** Bifurcation of Plan and Non- Plan not available

The significant changes during 2009-10 as compared to the previous year are given below:

- Revenue receipts of the State increased only marginally by ₹ 802 crore (1.5 *per cent*) over the previous year. The increase is very marginal although there was an increase in the State's own tax revenue (₹ 2,863 crore) and Share of Union Taxes/Duties (₹ 245 crore). It was duly offset by decreases in Non-tax revenue (₹ 685 crore) and Grants from Government of India (₹ 1,621 crore).

- Revenue expenditure increased by ₹ 5,785 crore (10.8 *per cent*) over the previous year, mainly due to increase in expenditure on General Services (₹ 1,719 crore) and Social Services (₹ 1,586 crore) and Economic Services (₹ 2,461 crore).

- While the expenditure on Economic Services registered an increase of 26 *per cent*, expenditure on General Services increased by 9 *per cent*.

- Capital expenditure on asset creation decreased by ₹ 531 crore (5.8 *per cent*) over the previous year while there was an increase in Repayment of Public Debt by ₹ 296 crore (13.4 *per cent*).

- Public Account receipts and disbursements increased by ₹ 5,866 crore (7.2 *per cent*) and ₹ 6,827 crore (8.7 *per cent*) respectively. Net receipts under Public Account decreased by ₹ 961 crore over the previous year.

- The net impact of these transactions led to a significant increase of ₹ 3,258 crore in the cash balance at the end of the year over previous year.

Review of the fiscal situation

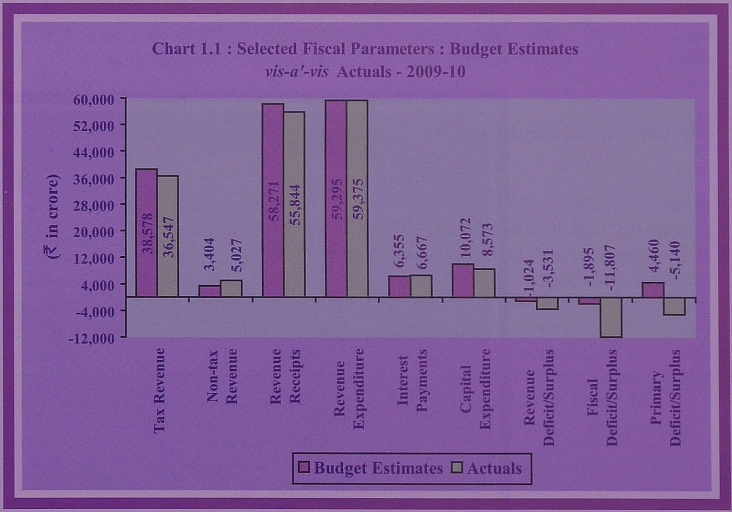
As per the Tamil Nadu Fiscal Responsibility Act, 2003 (FRBM Act), in line with the recommendations of the Twelfth Finance Commission (TFC), the State Government was to eliminate the revenue deficit by the end of 2007-08 and reduce the fiscal deficit to not more than three *per cent* of the Gross State Domestic Product (GSDP) by 2008-09. Further, the Act envisaged to cap outstanding guarantees at a level not exceeding the previous year's revenue receipts or 10 *per cent* of GSDP, whichever was the least.

Though the State was able to achieve the goal set in the FRBM Act till 2008-09, during 2009-10 the revenue deficit of the State was ₹ 3,531 crore (0.9 *per cent* of GSDP). Further, the trend in increase in revenue expenditure *vis-à-vis* revenue receipts has led the State to a position of a revenue deficit State.

Budget Analysis

The budget papers presented by a State Government provide descriptions of projections or estimations of revenue and expenditure for a particular fiscal year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Deviations from the Budget Estimates are indicative of non-attainment and non-optimization of the desired fiscal objectives, due to a variety of causes, some within the control of the Government and some outside.

Chart 1.1 presents the Budget Estimates and actuals for some important fiscal parameters.



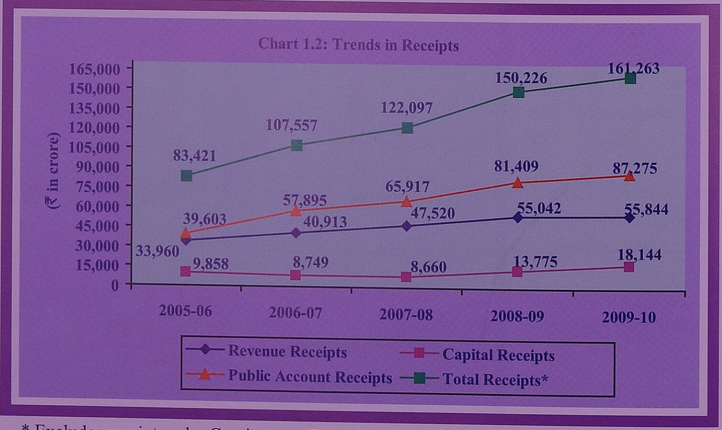
The actuals were fairly in line with estimates, barring the following:

- Non-tax receipts surpassed the estimates by 48 *per cent*.
- While revenue receipts were less than the estimate by ₹ 2,427 crore (4 *per cent*), revenue expenditure was more than the estimates by ₹ 80 crore (0.13 *per cent*). The capital expenditure fell short of the estimate by ₹ 1,499 crore (15 *per cent*), indicating difficulties in fund absorption for capital works.
- Revenue deficit, fiscal deficit and primary deficit were off the mark, mainly due to the differences between estimates and actuals in revenue receipts and expenditure. Against an estimated primary surplus of ₹ 4,460 crore, the financial year ended with a primary deficit of ₹ 5,140 crore which was 215 *per cent* below the estimate. The revenue deficit and fiscal deficit were ₹ 3,531 crore and ₹ 11,807 crore respectively against the estimate of ₹ 1,024 crore and ₹ 1,895 crore respectively.

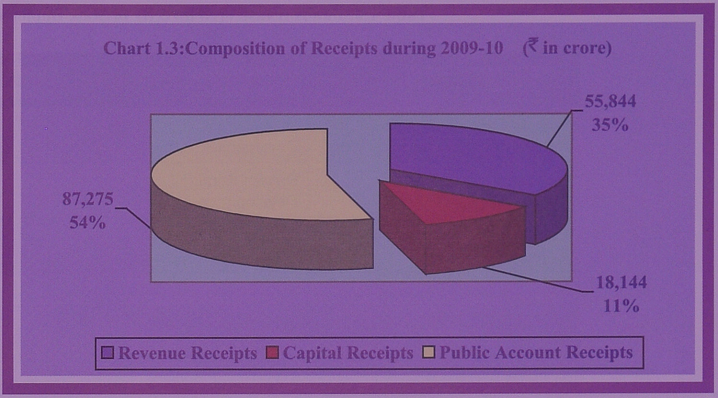
1.2 Resources of the State

1.2.1 Resources of the State as per Annual Finance Accounts

Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenues, non-tax revenues, State's share of Union taxes and duties and grants-in-aid from the Government of India (GOI). Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GOI as well as accruals from the Public Account. **Table 1.1** presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts while **Chart 1.2** depicts the trends in various components of the receipts of the State during 2005-10. **Chart 1.3** depicts the composition of resources of the State during the current year.



* Excludes receipt under Contingency Fund



- The total resources of the State increased by ₹ 11,037 crore (7.3 *per cent*) over the previous year, mainly due to increase of ₹ 5,866 crore (7.2 *per cent*) in Public Account receipts and ₹ 4,369 crore (32 *per cent*) in capital receipts.

- Public Debt receipts went up by ₹ 3,716 crore, an increase of 31.4 *per cent* over the previous year, mainly due to a substantial increase in open market borrowings. Open market borrowings increased from ₹ 9,598 crore in 2008-09 to ₹ 12,599 crore in 2009-10, an increase of 31 *per cent* over the previous year, which would have been more but for a sharp increase of ₹ 633 crore by way of resources raised through Special Securities issued to the National Small Savings Fund.

- The State's tax revenue increased from ₹ 33,684 crore in 2008-09 to ₹ 36,547 crore in 2009-10 (increase of 8.5 *per cent)*, while the percentage of tax receipts to revenue receipts increased only by 4 *per cent* i.e., from 61 *per cent* in 2008-09 to 65 *per cent* in 2009-10.

1.2.2 Funds transferred to State Implementing Agencies outside the State Budgets

The Central Government has been transferring a sizeable quantum of funds directly to State implementing agencies[1] for the implementation of various schemes/programmes in social and economic sectors which are recognized as critical. As these funds are not routed through the State Budget/State Treasury System, the Annual Finance Accounts do not capture the flow of these funds and to that extent, the State's receipts and expenditure as well as other fiscal variables/ parameters derived from them are underestimated. The funds directly transferred to State implementing agencies under nine major programmes assisted by Government of India are presented in **Table 1.2.**

[1] State implementing agencies include any organization/institution including Non-Governmental organization which is authorized by the State Government to receive funds from the Government of India for implementing specific programmes in the State.

Table 1.2: Funds transferred directly to State Implementing Agencies

(₹ in crore)

Programme/scheme	Implementing agency in the State	Funds transferred directly by Government of India during 2009-10
Mahatma Gandhi National Rural Employment Guarantee Scheme	District Rural Development Agencies	1,371.19
Indira Awaas Yojana	District Rural Development Agencies	394.52
Pradhan Mantri Gram Sadak Yojana	District Rural Development Agencies	520.00
Sarva Shiksha Abhiyan	State Project Directorate	475.60
Additionalities under National Rural Health Mission	State Health Society	164.25
Treasury Mechanism-Infrastructure maintenance	State Health Society	178.75
Reproductive Child Health Programme	State Health Society	153.55
National Rural Drinking Water Programme	Tamil Nadu Water Supply and Drainage Board	375.16
	Other Agencies	305.77
Total		**3,938.79**

(Source: Controller General of Accounts, Government of India)

- Out of ₹ 3,938.79 crore transferred to State implementing agencies, a major amount of ₹ 2,285.71 crore (58 *per cent)* was transferred to District Rural Development Agencies in respect of the three programmes/schemes as mentioned in **Table 1.2** above. Direct transfer of funds from Union to State implementing agencies ran the risk of improper utilisation of funds by these agencies. Unless uniform accounting policies are followed by all these agencies with proper documentation and timely reporting of expenditure, it would be difficult to monitor the end use of these direct transfers. The same percentage of funds were transferred even during 2008-09.

1.3 Revenue Receipts

Statement-11 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of the State's own taxes and non-tax revenues, Central tax transfers and grants-in-aid from GOI. The trends and composition of revenue receipts over the period 2005-10 are presented in **Appendix 1.4** and depicted in **Charts 1.4 and 1.5** respectively.

Chart 1.4: Trends in Revenue Receipts

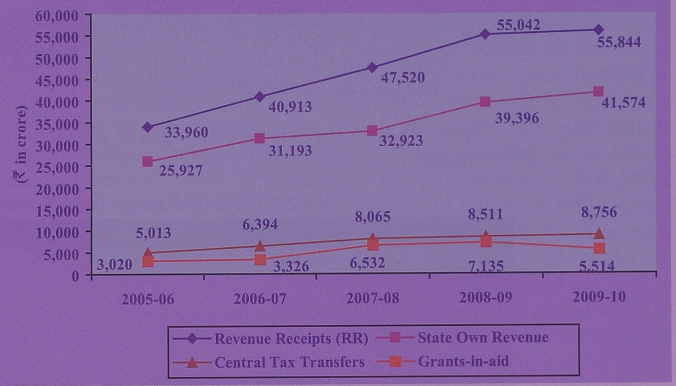
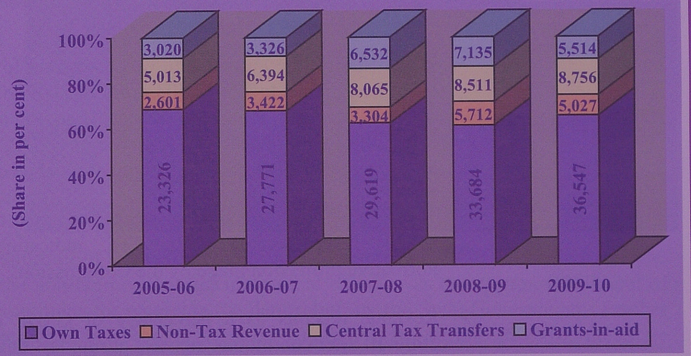


Chart 1.5: The composition of Revenue Receipts during 2005-10
(Value in crores of rupees)



- The compounded annual growth rate of revenue receipts stood at 13.18 *per cent* in the current decade which was less than the other general category States (14.40 *per cent*).

- The revenue receipts of the State grew by ₹ 802 crore over the previous year. The growth was drastically subdued at 1.5 *per cent* as against the average annual growth of 18 *per cent* during 2005-09. The sluggish growth in revenue receipts was mainly due to reduced receipt of Grants-in-aid from Government of India.

- The increase of ₹ 802 crore in revenue receipts (1.5 *per cent*) did not keep pace with the increase of ₹ 5,785 crore in revenue expenditure (10.8 *per cent*).

- Non-tax revenue during 2009-10 included ₹ 263 crore received as debt relief from Government of India. The amount of receipt on this account was the same during 2008-09 as well.

The trends in revenue receipts relative to GSDP are presented in **Table 1.3** below:

Table 1.3: Trends in Revenue Receipts relative to GSDP

	2005-06	2006-07	2007-08	2008-09	2009-10
Revenue Receipts (RR) (₹ in crore)	**33,960**	**40,913**	**47,520**	**55,042**	**55,844**
Rate of growth of RR (*per cent*)	19.4	20.5	16.1	15.8	1.5
RR/GSDP[2] (*per cent*)	14.5	14.8	15.6	16.2	14.7
Buoyancy Ratios[3]					
Revenue Buoyancy with reference to GSDP (ratio)	1.18	1.14	1.59	1.41	0.12
State's own tax Buoyancy with reference to GSDP (ratio)	1.25	1.06	0.66	1.22	0.72
Revenue Buoyancy with reference to State's own taxes (ratio)	0.94	1.07	2.43	1.15	0.17

(Source: Finance Accounts of Government of Tamil Nadu)

- The GSDP at the current rate was estimated to increase from ₹ 3,39,212 crore in 2008-09 to ₹ 3,79,503 crore in 2009-10, representing an increase of 11.88 *per cent*. However, the rate of growth of revenue receipts showed a declining trend despite the increase in GSDP, indicating that the State's aim to widen the tax base and augment revenue could not be achieved.

- The State's own tax buoyancy with reference to GSDP stood at 0.72 as against 1.2 prescribed by the TFC, indicating lower growth than the normative projection made by the Commission.

- Revenue receipts as a percentage of GSDP declined during the year 2009-10 after continuous increase during last three years.

- Revenue buoyancy with reference to GSDP and with reference to State's own taxes came down during the year. In 2007-08, the growth rate of revenue receipts was 1.59 times more than that of GSDP, but in the next two years, the low growth rate of revenue receipts relative to GSDP pushed the revenue buoyancy ratio down. The revenue buoyancy ratio was 1.41 in 2008-09 and 0.12 in 2009-10.

---

2 Advance estimate of GSDP of ₹ 3,79,503 crore has been adopted for 2009-10.

3 Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy at 0.6 implies that revenue receipts tend to increase by 0.6 percentage points, if the GSDP increases by one *per cent*.

Debt waiver under Debt Consolidation and Relief facilities

The Twelfth Finance Commission has framed a scheme of debt relief of Central loans named 'Debt Consolidation and Relief Facilities' based on fiscal performance of the State linked to the reduction of deficits of the States. Under the scheme, the repayments due on Central loans from 2005-06 to 2009-10, after consolidation and reschedulement of loans, will be eligible for write off. The amount sanctioned by GOI as debt relief each year will be adjusted by showing repayment of Central loans and crediting the amount to the head of account '0075 Miscellaneous General Services – 800 Other Receipts'. The States will be eligible for the benefit subject to fulfilment of certain conditions, *viz.*, legislating FRBM Act, gradual abolition of revenue deficit by 2008-09, bringing annual reduction targets for fiscal deficit, bringing out the Annual Fiscal Policy Statement etc. As assessed by TFC, in the case of Tamil Nadu, the amount of repayment due for the period 2005-10 after consolidation and reschedulement was ₹ 1718.15 crore. The ratio of total repayment to average revenue deficit (2001-02 to 2003-04) is 0.46 by which repayments will be written off for every rupee reduction in revenue deficit. Thus, the annual repayment due was ₹ 343.63 crore. During the period 2005-10, GOI sanctioned ₹ 1053.12 crore as debt relief for Government of Tamil Nadu, as detailed below:

(₹ in crore)

Year	Debt relief due as per TFC recommendations	Debt relief sanctioned by the Central Government
2005-06	343.63	..
2006-07	343.63	263.28
2007-08	343.63	263.28
2008-09	343.63	263.28
2009-10	343.63	263.28
Total	**1,718.15**	**1,053.12**

The shortfall of ₹ 665.03 crore in receipt of the benefit of debt relief scheme, and the non-tax revenue receipts to that extent, was due to non-fulfillment of the conditions for receiving the debt relief, by the State Government. Further as the State has become a revenue deficit State during 2009-10, the State stands to lose the debt relief to the tune of ₹ 343.63 crore.

1.3.1 State's Own Resources

As the State's share in Central taxes and grants-in-aid is determined on the basis of recommendations of the Finance Commission, collection of Central tax receipts, Central assistance for Plan schemes etc., the State's performance in mobilization of additional resources was assessed in terms of its own resources comprising revenue from its own tax and non-tax sources. The gross collection in respect of major taxes and duties as well as the components of non-tax receipts are given in **Table 1.4**.

Table 1.4: Components of State's own resources

(₹ in crore)

Revenue Head	2005-06	2006-07	2007-08	2008-09	2009-10
Tax Revenue					
Taxes on sales, trades etc.	15,555	17,727	18,156	20,675	22,662
State excise	3,177	3,986	4,764	5,756	6,741
Taxes on vehicles	1,125	1,261	1,483	1,710	2,025
Stamp duty and Registration fees	2,085	2,997	3,805	3,794	3,662
Land revenue	179	121	78	208	117
Taxes on goods and passengers	985	1244	1,097	979	1,092
Other taxes[4]	220	435	236	562	248
Total	**23,326**	**27,771**	**29,619**	**33,684**	**36,547**
Non-Tax Revenue					
Interest receipts	797	1,104	1,242	1,465	1,797
Dividends & Profits	22	30	40	36	48
Other non-tax receipts	1,782	2,288	2,022	4,211	3,182
Total	**2,601**	**3,422**	**3,304**	**5,712**	**5,027**

- As per the Medium Term Fiscal Policy Statement, tax revenue was projected as 10.10 *per cent* of GSDP. Against the projected revenue of ₹ 38,330 crore, the State could realise ₹ 36,547 crore, resulting in short collection of tax revenue of ₹ 1,783 crore (4.65 *per cent*).

- The compounded annual growth rate of own tax revenue stood at 12.88 *per cent* in the current decade which was less than the other general category States (13.59 *per cent*).

- Though the own tax revenue of the State increased by ₹ 2,863 crore over the previous year, the growth rate of its own tax revenue, which averaged 13.1 *per cent* per annum during 2006-09 slowed down to 8.5 *per cent* during 2009-10.

- The marked decline in the growth rate of own tax revenue was mainly due to reduced collection of stamp duty and registration fees. The revenue through stamp duty and registration fees declined by ₹ 132 crore due to the impact of the economic slowdown as against the annual average growth of 23.5 *per cent* during 2006-09. There was also a decrease of 43.75 *per cent* in respect of land revenue.

- The non-tax revenue of the State decreased by ₹ 685 crore (12 *per cent*) over the previous year. However, the compounded annual growth rate of the State (12.72 *per cent*) was better than other general category States (12.08 *per cent*).

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[4] Other taxes include taxes on immovable property other than agricultural land and taxes and duties on electricity.

- The decline in the growth rate of non-tax revenue was mainly due to decrease in non-tax revenue receipts by ₹ 1,894.95 crore under consumer industries which was duly offset by increase in receipts under other urban development schemes (₹ 631.88 crore) and interest receipts (₹ 332.21 crore).

1.3.2 Loss of Revenue due to Evasion of Taxes

Tax evasion leads to non-realisation of legally available revenue to the Government. As of 31 March 2009, the Commercial Taxes Department of the Government had detected 3,908 cases of evasion of sales tax / value added tax. During 2009-10, 7,131 new cases were detected. However, the department completed assessments only in respect of 7,298 cases leading to a pendency of 3,741 cases as at the end of March 2010. As assessments were not completed in a large number of cases, the extent of revenue realisable from tax evaders could not be assessed.

1.3.3 Revenue Arrears

As on 31 March 2010, revenue arrears amounted to ₹ 11,384.57 crore (sales tax: ₹ 10,990.06 crore; taxes on vehicles: ₹ 3.67 crore). Out of this, ₹ 5,562.49 crore was outstanding for more than five years (sales tax: ₹ 5,354.90 crore; taxes on vehicles: ₹ 1.70 crore).

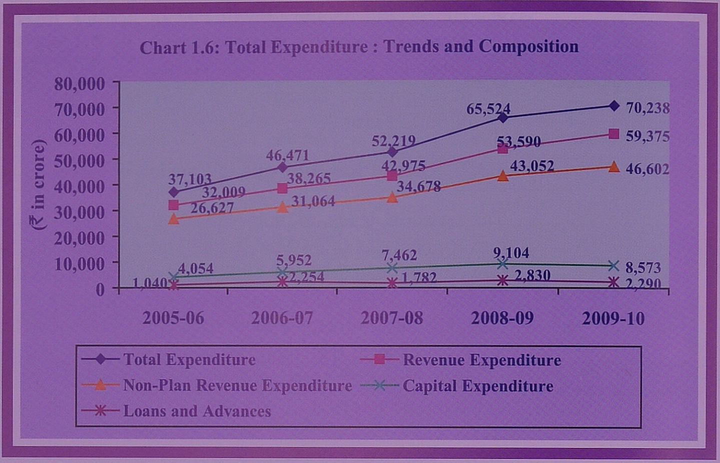
Considering the huge sums involved, Government needs to take note of these mounting arrears.

1.4 Application of Resources

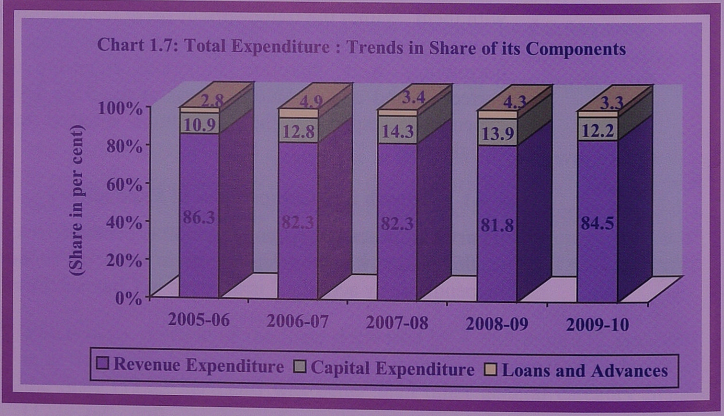
Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted with them. Within the framework of fiscal responsibility legislations, there are budgetary constraints in raising public expenditure financed by deficit or borrowings. It is, therefore, important to ensure that the ongoing fiscal correction and consolidation process at the State level is not at the cost of expenditure, especially the expenditure directed towards development of social sector.

1.4.1 Growth and Composition of Expenditure

Chart 1.6 presents the trends in total expenditure over a period of five years (2005-10) and its composition both in terms of 'economic classification' and 'expenditure by activities' is depicted in **Charts 1.7 and 1.8** respectively.

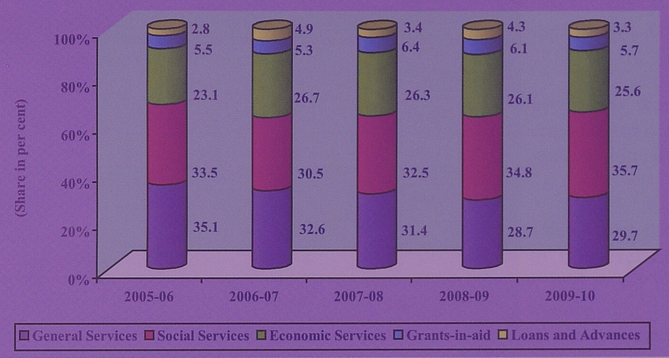


- The total expenditure[5] during 2009-10 increased by ₹ 4,714 crore (7.2 *per cent*) over the previous year. The revenue expenditure increased by ₹ 5,785 crore (10.8 *percent)* and non-plan expenditure increased by ₹ 3,550 crore (8.2 *per cent*). The revenue expenditure was 84.53 *per cent* of the total expenditure, of which 78.49 *per cent* was on the Non-Plan component.
- The Capital Expenditure decreased by ₹ 531 crore (5.8 *per cent*) and the loans and advances also decreased by ₹ 540 crore (19 *per cent*).
- Revenue receipts of the State met 79.5 *per cent* of the total expenditure during 2009-10 as against 91 *per cent* during 2007-08 and 84 *per cent* during 2008-09.



[5] Total expenditure includes revenue expenditure, capital expenditure and loans and advances.

Chart 1.8: Total Expenditure: Trends by 'Activities'



- The expenditure on General Services, Social Services and Economic Services during 2009-10 grew by 10.7 *per cent*, 10.1 *per cent* and 5.3 *per cent* respectively over the previous year.

- The increase in the expenditure on Social Services was mainly on account of increased spending of ₹ 1,875 crore on General Education and ₹ 728 crore on Health and Family Welfare.

- The expenditure on General Education (₹ 10,341 crore) and Health and Family Welfare (₹ 3,017 crore) surpassed the normative projections made by TFC by ₹ 3,234 crore and ₹ 1,245 crore respectively, indicating greater thrust laid on these areas by the Government. It was, however, noticed that the salaries and wages component of the expenditure for General Education grew by 41 *per cent* against TFC's recommended growth of six *per cent*. Similarly, the salaries and wages component under Health and Family Welfare grew by 45 *per cent* against TFC's recommended growth rate of five *per cent*.

- Expenditure on repayment of Public Debt went up from ₹ 2,216 crore in 2008-09 to ₹ 2,512 crore in 2009-10.

1.4.2 Committed Expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. **Table 1.5** and **Chart 1.9** present the trends in the expenditure on these components during 2005-10.

Table 1.5: Components of Committed Expenditure

(₹ in crore)

Components of Committed Expenditure	2005-06	2006-07	2007-08	2008-09	2009-10
Salaries and wages, *of which*	8,376 (24.6)	8,694 (21.2)	9,690 (20.4)	12,859 (23.4)	15,638 (28)
Non-Plan Head	7,449	7,673	8,641	11,470	14,141
Plan Head*	927	1,021	1,049	1,389	1,497
Salary grants**	1,590 (4.6)	1,863 (4.5)	2,072 (4.3)	2,756 (5)	3,219 (5.8)
Interest Payments	4,559 (13.4)	5,506 (13.5)	6,086 (12.8)	5,963 (10.8)	6,667 (11.9)
Expenditure on Pension	4,460 (13.1)	5,430 (13.3)	6,017 (12.7)	7,735 (14)	8,385 (15)
Subsidies	3,426 (10.1)	4,177 (10.2)	4,305 (9.1)	6,600 (12)	6,653 (11.9)
Total	**22,412 (65.3)**	**25,670 (62.7)**	**28,170 (59.3)**	**35,913 (65.2)**	**40,562 (72.6)**

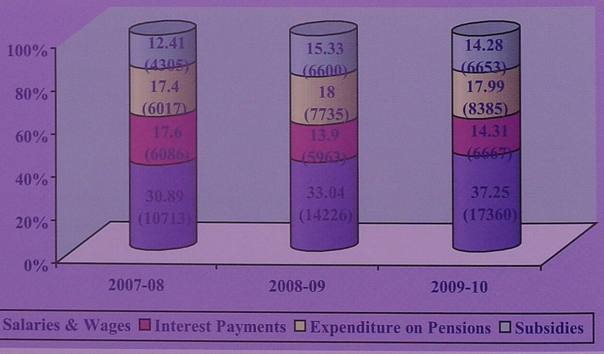
(Source: Finance Accounts of Government of Tamil Nadu)

Figures in the parentheses indicate percentage of revenue receipts

* Plan head also includes the salaries and wages paid under Centrally Sponsored Schemes

** Salary grants are released to aided educational institutions and Urban Local Bodies towards meeting the expenditure on salaries of teachers and staff.

Chart 1.9: Share of Committed Expenditure in Non-Plan Revenue Expenditure during 2007-10
(Value in labels in crores of rupees)



- The committed expenditure stood at 72.6 *per cent* of total revenue receipts of the State during 2009-10 as against 59.3 *per cent* during 2007-08 and 65.2 *per cent* during 2008-09.

- The committed expenditure stood at 87.04 *per cent* of the Non-Plan revenue expenditure during 2009-10 as against 81.23 *per cent* during 2007-08 and 83.42 *per cent* during 2008-09 mainly due to an increase of ₹ 3,242 crore in salary expenditure (20.8 *per cent*) consequent on implementation of pay commission awards.

- The expenditure on salaries and wages, inclusive of salary grants was ₹ 18,857 crore and accounted for 42.5 *per cent* of revenue expenditure net of interest and pension as against TFC's normative prescription of 35 *per cent*.

- The expenditure on salaries and wages, which gradually declined from the level of 29.3 *per cent* of revenue receipts in 2005-06 to the level of 24.75 *per cent* in 2007-08, moved upward from 2008-09 and stood at 33.77 *per cent* during 2009-10. The increase was mainly due to implementation of sixth pay commission recommendations and payment thereon to Government staff.

- Expenditure on pension, as a percentage of revenue receipts, increased from 14 *per cent* in 2008-09 to 15 *per cent* in 2009-10.

- Expenditure on pension at ₹ 8,385 crore overshot the TFC's projection of ₹ 7,405 crore. There was an increase of 8.4 *per cent* in pension expenditure over the previous year.

- Subsidies were on a continuous increase. They went up by ₹ 53 crore (0.80 *per cent*) in 2009-10 when compared to previous year. The subsidy paid under Public Distribution System Support and to Electricity Board alone accounted for ₹ 5,368 crore (81 *per cent*).

- The expenditure towards interest payments increased by ₹ 704 crore (11.81 *per cent*) over the previous year. This was mainly due to repayment of interest on market loans to the extent of ₹ 715 crore. As a percentage of Non-Plan expenditure, it increased from 13.9 in 2008-09 to 14.31 *per cent* in 2009-10.

1.4.3 Financial Assistance by State Government to Local Bodies and other institutions

The quantum of assistance provided by way of grants and loans to local bodies and others during the current year relative to the previous years is presented in **Table 1.6.**

Table 1.6: Financial Assistance to Local Bodies, etc

(₹ in crore)

Financial Assistance to Institutions	2005-06	2006-07	2007-08	2008-09	2009-10
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	484	570	605	433	703
Municipal Corporations and Municipalities	954	1591	393	1865	1965
Zilla Parishads and Other Panchayati Raj Institutions	1,287	1,508	3,216	1,890	2101
Development Agencies	202	295	920	217	286
Hospitals and Other Charitable Institutions	20	20	19	106	126
Other Institutions[6]	2,119	4,753	3,248	5,726	5,636
Total	**5,066**	**8,737**	**8,401**	**10,237**	**10817**
Assistance as per percentage of Revenue Expenditure	16	23	20	19	18

(Source: Accounts compiled by the Principal Accountant General (A&E), Tamil Nadu)

- Financial assistance to local bodies and other institutions increased from ₹ 5,066 crore in 2005-06 to ₹ 10,817 crore in 2009-10. As a percentage of the revenue expenditure, it declined marginally from the level of 19 *per cent* in 2008-09 to 18 *per cent* in 2009-10. Assistance to hospitals and other charitable institutions showed a quantum jump from ₹ 20 crore in 2006-07 to ₹ 126 crore in 2009-10. The assistance to educational institutions showed a quantum increase of 62 *per cent* over the previous year.

1.5 Quality of Expenditure

The availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. The improvement in the quality of expenditure basically involves three aspects *viz*., adequacy of the expenditure (i.e. adequate provisions for providing public services), efficiency of expenditure use and its effectiveness (assessment of outlay-outcome relationships for select services).

1.5.1 Adequacy of Public Expenditure

The expenditure responsibilities relating to the social sector and the economic infrastructure assigned to the State Governments are largely State subjects. Enhancing human development levels requires the States to step up their expenditure on key Social Services like education, health etc. Low fiscal priority (ratio of expenditure category to aggregate expenditure) would be attached to a particular sector if it was below the national average. **Table 1.7** analyses the fiscal priority of the State Government with regard to development expenditure, social sector expenditure and capital expenditure during 2005-06 and 2009-10.

6 Institutions/agencies connected with water supply and sanitation, housing, social welfare, labour and employment, forestry and wild life, agriculture and allied activities, village and small industries, industries and minerals and relief on account of natural calamities.

Table 1.7: Fiscal Priority of the State in 2005-06 and 2009-10

(In *per cent*)

Fiscal Priority by the State	AE/GSDP	DE#/AE	SSE/AE	CE/AE	Education/ AE	Health/ AE
General Category States Average (Ratio) 2005-06	**17.75**	**61.76**	**30.76**	**13.97**	**14.95**	**4.05**
Tamil Nadu State's Average (Ratio) 2005-06	15.80	59.45	33.52	10.93	14.21	4.42
General Category States Average (Ratio) 2009-10	**18.24**	**66.05**	**35.76**	**14.85**	**16.21**	**4.28**
Tamil Nadu State's Average (Ratio) 2009-10	18.51	64.65	35.75	12.21	15.76	4.94

AE: Aggregate Expenditure DE: Development Expenditure SSE: Social Sector Expenditure

CE: Capital Expenditure

Development expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans and Advances disbursed.

Source : For GSDP, the information was collected from the State's Directorate of Economics and Statistics

- In 2005-06, the Tamil Nadu Government spent relatively less as a proportion of GSDP compared to the general category States' average. In the current year, the Government spent relatively higher as a proportion of GSDP as the AE/GSDP ratio of the State stood at 18.51 *per cent* which was higher than the general category States' average of 18.24 *per cent*. However, the relatively low fiscal priority given to DE in 2005-06 continues even during the current year as the State's DE/AE ratio of 64.65 *per cent* during 2009-10 was lower than the all State's DE/AE ratio of 66.05 *per cent*.

- The priority given to CE continues to be relatively lower in comparison with the general category States' average as the CE/AE ratios of the State at 10.93 and 12.21 *per cent* during 2005-06 and 2009-10 respectively were lower than the all States' average ratios of 13.97 and 14.85 *per cent* in these years.

- The priority given to SSE in the State was adequate as the State's SSE/AE ratio of 35.75 *per cent* was almost equal to the general category State's average ratio of 35.76 *per cent* in 2009-10. This indicates that even though the aggregate spending of the State as a proportion of GSDP has increased in comparison with the all States' average during the Award Period, there is no marked departure in the relative priorities accorded by the Government to DE, SSE and CE.

- The priority given to DE and CE continue to lag behind the general category States' average even as the SSE continues to receive higher priority. In other words, the relative increase in aggregate expenditure has not really helped the Economic Sector and in asset formation.

- The priority given to Education continues to be relatively lower in comparison to general category State's average as the Education to AE ratio of the State at 14.21 and 15.76 during 2005-06 and 2009-10 respectively is relatively lower than the general category State's average ratios of 14.95 and 16.21 in these years.

1.5.2 Efficiency of Expenditure Use

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State Governments to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public and merit goods[7]. Apart from improving the allocation towards development expenditure[8], particularly in view of the fiscal space being created on account of decline in debt servicing in recent years, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and the proportion of revenue expenditure on operation and maintenance of the existing Social and Economic Services. The higher the ratio of these components to the total expenditure (and/or GSDP), the better would be the quality of expenditure. While **Table 1.8** presents the trends in development expenditure relative to the aggregate expenditure of the State during 2005-10, **Table 1.9** provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of the selected Social and Economic Services during 2008-09 and 2009-10.

Table 1.8: Development Expenditure

(₹ in crore)

Components of Development Expenditure	2005-06	2006-07	2007-08	2008-09	2009-10
Development Expenditure (a to c)	**22,058 (59.4)**	**28,835 (62.1)**	**32,464 (62.2)**	**42,736 (65.2)**	**45,412 (64.6)**
a. Development Revenue Expenditure	17,089 (46.0)	20,823 (44.8)	23,497 (45.0)	31,032 (47.4)	35,079 (49.9)
b. Development Capital Expenditure	3,929 (10.6)	5,758 (12.4)	7,185 (13.8)	8,874 (13.5)	8,043 (11.4)
c. Development Loans and Advances	1,040 (2.8)	2,254 (4.9)	1,718 (3.3)	2,761 (4.2)	2,290 (3.3)

(Source: Finance Accounts of Government of Tamil Nadu)
Figures in parentheses indicate percentage of aggregate expenditure

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7 Core public goods are goods which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtractions from any other individual's consumption of that good, e.g., enforcement of law and order, security and protection of rights; pollution free air and other environmental goods, road infrastructure etc. Merit goods are commodities that the public sector provides free or at subsidized rates because an individual or society should have them on the basis of some concept of need, rather than the ability and willingness to pay the Government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidized food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation etc.

8 The analysis of expenditure data is disaggregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorized into Social Services, Economic Services and General Services. Broadly, the Social and Economic Services constitute development expenditure, while expenditure on General Services is treated as non-development expenditure.

Table 1.9: Efficiency of Expenditure Use in Selected Social and Economic Services

(Percentage)

Social/Economic Infrastructure	2008-09		2009-10	
	Ratio of CE to TE	Ratio of S&W to RE	Ratio of CE to TE	Ratio of S&W to RE
Social Services (SS)				
General Education	1.12	85.55	3.27	58.27
Health and Family Welfare	7.78	71.57	13.09	64.25
WS, Sanitation, & HUD	21.82	1.29	29.29	1.66
Total (SS)	**6.06**	**50.14**	**7.88**	**42.47**
Economic Services (ES)				
Agri & Allied Activities	27.54	30.99	17.68	30.00
Irrigation and Flood Control	43.38	28.56	48.76	30.20
Power & Energy	47.49	0.08	9.31	0.11
Transport	71.09	10.78	69.40	14.61
Total (ES)	**39.14**	**15.57**	**23.48**	**14.22**
Total (SS+ES)	**20.76**	**39.37**	**14.62**	**32.71**

(Source: Finance Accounts of Government of Tamil Nadu)

TE: Total expenditure on the Sector/Service concerned; CE: Capital Expenditure; RE: Revenue Expenditure; S&W: Salaries and Wages.

Development expenditure, in real terms and as a percentage of the aggregate expenditure of the State, was increasing continuously during 2005-10.

However, the development capital expenditure as a percentage of aggregate expenditure of the State, declined from the level of 13.5 in 2008-09 to 11.5 in 2009-10. As a percentage of development expenditure, it came down from 20.76 in 2008-09 to 17.71 in 2009-10.

Expenditure on Social Services

- The capital expenditure on Social Services had increased from ₹ 1,434 crore in 2008-09 to ₹ 2,151 crore in 2009-10 (50 *per cent)* in real terms and as a percentage of aggregate expenditure of the State, it had increased from 2.19 in 2008-09 to 3.06 in 2009-10. As a percentage of total expenditure on Social Services, it increased from 6.06 in 2008-09 to 7.88 in 2009-10.

Expenditure on Economic Services

- The capital expenditure on Economic Services had decreased from ₹ 7,440 crore in 2008-09 to ₹ 5,892 crore in 2009-10.
- The capital expenditure on Agriculture and Allied Activities declined significantly from ₹ 1,484 crore in 2008-09 to ₹ 939 crore in 2009-10. As a percentage of total expenditure on Agriculture and Allied Activities, it declined from 27.54 in 2008-09 to 17.68 in 2009-10.
- The capital expenditure on Power and Energy fell steeply from ₹ 1,171 crore in 2008-09 to ₹ 135 crore in 2009-10. It fell from 1.79 *per cent* of the total expenditure in 2008-09 to a meagre 0.19 *per cent* in 2009-10. This indicated that Government's spending on infrastructural requirement of power and energy is very low. Since Tamil Nadu is a power shortage State it will be prudent to increase investment in power generation projects.

1.6 Financial Analysis of Government Expenditure and Investments

In the post-Fiscal Responsibility and Budget Management (FRBM) framework, the State is expected to keep its fiscal deficit (and borrowings) not only at low levels but also meet its capital expenditure/investment (including loans and advances) requirements. In addition, in a transition to complete dependence on market-based resources, the State Government needs to initiate measures to earn adequate returns on its investments, recover its cost of borrowed funds rather than bearing the same on its budget in the form of implicit subsidies and take requisite steps to infuse transparency in financial operations. This section presents a broad financial analysis of investments and other capital expenditure undertaken by the Government during the current year *vis-à-vis* the previous years.

1.6.1 Financial Results of Irrigation Works

Ensuring the commercial viability of irrigation projects through realization of adequate revenue by way of user charges has been a policy of Government of India. The TFC prescribed recovery of 80 *per cent* of the maintenance expenditure on major, medium and minor irrigation projects by way of non-tax revenue from them. Audit, however, found that the revenue from irrigation projects (₹ 34.80 crore) during 2009-10 was only 4.62 *per cent* of the maintenance expenditure.

Appendix IX of Finance Accounts depicts the financial results of five major and 47 medium irrigation projects. The revenue realized from these projects during 2008-09 was ₹ 11.71 crore. After meeting the working and maintenance expenditure (₹ 134.03 crore) and interest charges (₹ 117.17 crore), these 52 projects suffered a net loss of ₹ 239.50 crore during 2009-10.

1.6.2 Incomplete projects

The department-wise information pertaining to incomplete projects as on 31 March 2010 is given in **Table 1.10**.

Table 1.10: Department-wise profile of incomplete projects

(₹ In crore)

Department	No. of Incomplete Projects*	Initial Budgeted Cost	Revised Total Cost of Projects**	Cost Over-runs	Cumulative actual expenditure as on 31.3.2010
Buildings	6	36.04	-	-	28.47
Roads and Bridges	38	239.80	347.02	107.22	319.97
Irrigation (Water Resources) and Flood Control	15	349.60	370.33	20.73	374.76
Total	**59**	**625.44**	**717.35**	**127.95**	**723.20**

(Source: Finance Accounts of Government of Tamil Nadu).

* Only those projects which were scheduled to be completed before 31 March 2010 were included.

** Indicates the revised total cost of the projects as per the last revision by the State Government as of March 2010.

- Failure to complete projects on time leads to escalation of project costs and delays the accrual of the projects' benefits to the society at large. Further, delays also result in postponement of revenue realization from projects.

BHAVAN LIBRARY MADRAS

Case study on delay in accrual of benefits of investment

Way back in 1992, the Government of Tamil Nadu accorded administrative sanction for the formation of Southern Sector Inner Ring Road (SS-IRR) for connecting Old Mahabalipuram Road (Rajiv Gandhi Salai) and NH 45 in Chennai city at a cost of ₹ 9 crore. The Highways Department split the work into two Reaches viz., Reach I covering a five KM stretch and Reach II covering a 4.4 KM stretch. The work on Reach II was completed as early as in 1996 at a total cost of ₹ 2.07 crore. The work on Reach I suffered inordinate delays due to land acquisition issues and lack of coordination with railway authorities who simultaneously executed Metropolitan Mass Rapid Transport System (MRTS) rail network using the median of the SS-IRR. The land acquisition process initiated in 1992 was completed only in 2009.

As of June 2010, three sub-stretches measuring 950 metres and a high level bridge of 350 metres under Reach I remained incomplete and the original objective of linking two busy transport corridors of the city had not been achieved to benefit the people despite pouring Government investment to the tune of ₹ 111.72 crore against the original estimate of ₹ nine crore.

Completed stretch

Incomplete stretch

1.6.3 Investment and returns

As of 31 March 2010, Government had invested ₹ 8,107 crore in statutory corporations, rural banks, joint stock companies and co-operatives **(Table 1.11).** The average return on these investments was 0.4 *per cent* while Government paid an average interest rate of 7.3 *per cent* on its borrowings during 2009-2010.

Table 1.11: Return on Investment

Investment/Return/Cost of Borrowings	2005-06	2006-07	2007-08	2008-09	2009-10
Investment at the end of the year (₹ in crore)	2,744.60	4,278.43	6,230.40	6,471.22	8,107.24
Return (₹ in crore)	20.92	26.32	22.10	35.59	30.18
Return (in *per cent*)	0.8	0.6	0.4	0.5	0.4
Average rate of interest on Government borrowing (in *per cent*)	7.8	8.6	8.9	7.7	7.3
Difference between interest rate and return (in *per cent*)	7.0	8.0	8.5	7.2	6.9

(Source: Finance Accounts of Government of Tamil Nadu)

As of March 2010, Government has invested in two statutory corporations (₹ 2,474 crore), 67 Government companies (₹ 2,593 crore), six Joint Stock companies (₹ 2 crore) and 9,138 co-operatives (₹ 3,038 crore). During 2009-

10, Government infused an additional capital of ₹ 211 crore into seven ailing State Transport Undertakings, which had accumulated a total loss of ₹ 4,514 crore. Other major investments made included ₹ 100 crore on Tamil Nadu Electricity Board and ₹ 28 crore on Tamil Nadu Power Finance Corporation.

1.6.4 Loans and advances by State Government

In addition to investments in co-operative societies, corporations and companies, Government has also been providing loans and advances to many of these institutions/ organizations. **Table 1.12** presents the outstanding loans and advances as on 31 March 2010 and interest receipts *vis-à-vis* interest payments during the last three years.

Table 1.12: Average interest received on loans advanced by the State Government

(₹ in crore)

Quantum of Loans/Interest Receipts/ Cost of Borrowings	2007-08	2008-09	2009-10
Opening Balance	6,149	6,918	7,814
Amount advanced during the year	1,782	2,830	2,290
Amount repaid during the year	1,013	1,934	2,587
Closing Balance	6,918	7,814	7,517
Net increase (+) / decrease (-)	769	896	(-) 297
Interest Receipts	72	205	266
Interest receipts as percentage of outstanding Loans and advances	1.1	2.8	3.5
Interest payments as percentage of outstanding fiscal liabilities of the State Government.	8.9	7.7	6.7
Difference between interest payments and interest receipts (*per cent*)	(-) 7.8	(-) 4.9	(-) 3.2

(Source: Finance Accounts of Government of Tamil Nadu)

- The quantum of loans advanced decreased from ₹ 2,830 crore in 2008-09 to ₹ 2,290 crore in 2009-10, a decrease of 19.1 *per cent*. Repayments also increased from ₹ 1,934 crore in 2008-09 to ₹ 2,587 crore in 2009-10 (33.8 *per cent*), resulting in decrease in the outstanding balance from ₹ 7,814 crore in 2008-09 to ₹ 7,517 crore in 2009-10. The difference between the interest payments and interest receipts decreased from 4.9 *per cent* in 2008-09 to 3.2 *per cent* in 2009-10.

- The major recipients of loans and advances were (i) Social Sector- water supply, sanitation, housing and urban development (₹ 612 crore), out of which ₹ 340 crore were advanced to Metro Rail project in Chennai and (ii) Economic Sector - (a) Agriculture and Allied Services (₹ 1,185 crore), out of which ₹ 1,150 crore was advanced for food storage and warehousing to statutory corporations, boards and Government companies, (b) Industries and Minerals (₹ 108 crore) and (iii) Transport Sector (₹ 277 crore), out of which ₹ 150 crore was given as short term loans to State

transport undertakings and ₹ 127 crore as ways and means advance to Transport Corporations.

1.6.5 Cash Balances and Investment of Cash Balances

Table 1.13 depicts the cash balances and investments made by the State Government out of cash balances during the year.

Table 1.13: Cash Balances and Investment of Cash Balances

(₹ in crore)

Particulars	As on 1 April 2009	As on 31 March 2010	Increase (+)/ Decrease (-)
Cash Balances	16,229	19,487	3,258
Investments from Cash Balances (a to d)			
(a) GOI Treasury Bills	14,060	17,252	3,192
(b) GOI Securities	2,280	180	(-) 2,100
(c) Other Securities, if any specify	(-) 137	2,029	2,166
(d) Others - (Treasury/departmental cash balance, remittance etc.)	26	26	--
Funds-wise Break-up of Investment from Earmarked balances (a to c)			
(a) Sinking Fund	2,273	2,451	178
(b) Famine Relief Fund	--	--	--
(c) Infrastructure Development Fund	142	--	(-) 142
Interest realised	589	799	210

(Source: Finance Accounts of Government of Tamil Nadu)

- The cash balance as on 31 March 2010 increased by ₹ 3,258 crore over the previous year.
- The interest realised during the year on investment of cash balances increased by ₹ 210 crore as compared to the previous year.

The State Government maintained the minimum cash balance of ₹ 3.25 crore with the Reserve Bank during 2009-10 under an agreement with the Reserve Bank of India. No ways and means advance and overdraft was taken during the year.

1.7 Assets and Liabilities

1.7.1 Growth and Composition of Assets and Liabilities

In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.5** gives an abstract of such liabilities and assets as on 31 March 2010, compared with the corresponding position on 31 March 2009. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from GOI, receipts from the Public Account and Reserve

Funds, the assets comprise mainly the capital outlay, loans and advances given by the State Government and cash balances.

The Tamil Nadu Fiscal Responsibility Act, 2003 defines the total liability of the State as 'the liabilities under the Consolidated Fund of the State and the Public Account of the State', which include loans and advances from the Central Government, open market borrowings, loans from financial institutions, Provident Fund balances of Government employees, Reserve funds, Deposits etc.

1.7.2 Fiscal Liabilities

The trends in outstanding fiscal liabilities of the State are presented in **Appendix 1.4**. However, the composition of fiscal liabilities during the current year *vis-à-vis* the previous year is presented in **Charts 1.10** and **1.11.**

Chart 1.10: Composition of Outstanding Fiscal Liabilities as on 01.04.2009 (₹ in crore)

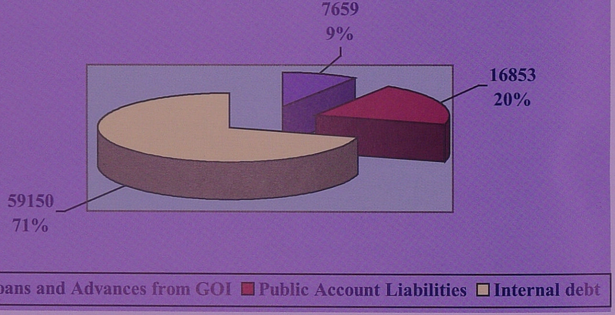
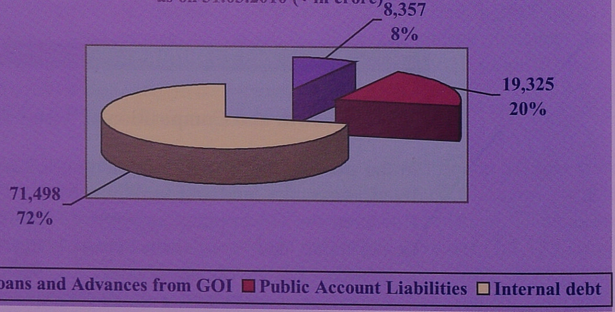


Chart 1.11: Composition of Outstanding Fiscal Liabilites as on 31.03.2010 (₹ in crore)



- The outstanding fiscal liabilities have shown a steady increase from ₹ 62,310 crore at the end of 2005-06 to ₹ 99,180 crore as at the end of 2009-10.

- The fiscal liabilities as at the end of 2009-10 represented 178 *per cent* of the revenue receipts during the year as against 152 *per cent* of the revenue receipts during 2008-09.

- Public Account Liabilities at 20 *per cent* of the fiscal liabilities at the end of 2009-10 remained the same as that of the previous year. Internal debt at 72 *per cent* of fiscal liabilities was marginally higher than that of the previous year (71 *per cent*) whereas, outstanding loans and advances decreased from 9 to 8 *per cent* during the same period.

1.7.3 Status of Guarantees – Contingent liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in cases of defaults by borrowers for whom the guarantees have been extended.

As per Statement 9 of the Finance Accounts, the maximum amount for which guarantees were given by the State and the outstanding guarantees for the last three years is given in **Table 1.14**.

Table 1.14: Guarantees given by the Government of Tamil Nadu

(₹ in crore)

Guarantees	2007-08	2008-09	2009-10
Maximum amount guaranteed	20,090	11,062	12,830
Outstanding amount of guarantees	5,410	4,633	6,297
Percentage of maximum amount guaranteed to total Revenue receipts	42	20	23
Criteria as per the TN Fiscal Responsibility Act, 2003	Cent *per cent* revenue receipts of previous year or 10 *per cent* of GSDP, whichever is lower.		

(Source: Finance Accounts of Government of Tamil Nadu)

- Government has constituted (March 2003) a "Guarantees Redemption Fund" for discharge of invoked guarantees. No expenditure was met from the fund during 2009-10. The balance in the Fund as of March 2010 was ₹ 109 crore.

- The maximum amount guaranteed was well within the stipulations of the Tamil Nadu Fiscal Responsibility, Act 2003. As a percentage of revenue receipts, it increased from 20 in 2008-09 to 23 in 2009-10. Similarly as a percentage of GSDP, it increased from 3.26 in 2008-09 to 3.38 in 2009-10.

1.7.4 Off-Budget Borrowings

The borrowings of a State are governed under Article 293 of the Constitution of India. In addition to the liabilities shown in **Appendix 1.5**, the State guarantees loans availed of by Government companies/corporations. These companies/corporations borrow funds from the market/financial institutions for implementation of various State Plan programmes projected outside the State budget. Although the State Government projects that funds for these programmes would be met out of the resources mobilized by these companies/corporations outside the State budget, in reality, the borrowings of many of these concerns are repaid by the Government and ultimately turn out to be liabilities of the State Government termed as 'off-budget borrowings'. Though off-budget borrowings are not permissible under Article 293 (3), the State continues to undertake such off-budget borrowings. Details of borrowings collected from Tamil Nadu Water Supply and Drainage Board (Board) disclosed that as of 31 March 2010, the Board owed ₹ 104 crore to two financial organisations towards its borrowings for executing various water supply projects. As the State Government had undertaken to repay the principal and interest, the off-budget borrowings, which add to the fiscal liability of the State and are not captured in the Finance Accounts of the State.

1.8 Debt Sustainability

Apart from the magnitude of debt of the State Government, it is important to analyze the various indicators that determine the debt sustainability[9] of the State. This section assesses the sustainability of debt of the State Government in terms of debt stabilization[10]; sufficiency of non-debt receipts[11]; net

[9] Debt sustainability is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt, therefore, also refers to the sufficiency of liquid assets to meet current or committed obligations and the capacity to keep a balance between the costs of additional borrowings and the returns from such borrowings. It means that the rise in fiscal deficit should match the increase in the capacity to service the debts.

[10] A necessary condition for stability states that if the rate of growth of the economy exceeds the interest rate or cost of public borrowings, the debt-GSDP ratio is likely to be stable provided primary balances are either zero, positive or moderately negative. Given the rate spread (GSDP growth rate – interest rate) and the quantum spread (Debt X rate spread), the debt sustainability condition states that if the quantum spread together with the primary deficit is zero, the debt-GSDP ratio would be constant or the debt would stabilize eventually. On the other hand, if the primary deficit together with the quantum spread turns out to be negative, the debt-GSDP ratio would be rising. In case it is positive, the debt-GSDP ratio would eventually be falling.

[11] Adequacy of incremental non-debt receipts of the State to cover incremental interest liabilities and incremental primary expenditure. Debt sustainability could be significantly facilitated if incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.

availability of borrowed funds[12]; burden of interest payments (measured by interest payments to revenue receipts ratio) and the maturity profile of State Government securities. **Table 1.15** analyzes the debt sustainability of the State according to these indicators for a period of three years beginning from 2007-08.

Table 1.15: Debt Sustainability: Indicators and Trends

(₹ in crore)

Indicators of Debt Sustainability	2007-08	2008-09	2009-10
Debt Stabilization (Quantum Spread + Primary Deficit)	5,391	7,195	(-) 1,300
Sufficiency of Non-debt Receipts (Resource Gap)	(+) 270	(-) 4,862	(-) 3,259
Net Availability of Borrowed Funds	(-) 1,334	6,627	7,287
Burden of Interest Payments (IP/RR Ratio)	12.8	10.8	11.9
Maturity Profile of internal debts & GOI loans (in years)			
0 – 1	1,359 (2.4)	1,629 (2.4)	1,997 (2.8)
1 – 3	3,967 (6.9)	5,148 (7.7)	5,966 (8.3)
3 – 5	6,687 (11.7)	7,632 (11.4)	7,101 (9.9)
5 – 7	10,295 (18)	7,870 (11.8)	9,778 (13.7)
7 and above	34,875 (61)	44,531 (66.7)	46,656 (65.3)

(Source: Finance Accounts of Government of Tamil Nadu)
Figures in brackets represent percentage of total outstanding internal debts and GOI loans

- The net availability of borrowed funds during 2009-10 was ₹ 7,287 crore, an increase of ₹ 660 crore. This was a result of increase in receipts under internal debts from ₹ 10,798 crore in 2008-09 to ₹ 14,527 crore in 2009-10 and simultaneous increase in expenditure on repayment of internal debts from ₹ 1,897 crore in 2008-09 to ₹ 2,180 crore. Further, the interest payments, which decreased to ₹ 5,963 crore in 2008-09 increased to ₹ 6,667 crore in 2009-10.

- Rising debt-GSDP ratio as indicated by quantum spread together with Primary Deficit turning negative, increased net availability of borrowed funds and the negative resource gap (₹ 3,259 crore) was a matter of concern. This was a result of insufficiency of the incremental non-debt receipts (₹ 1,455 crore) to meet the incremental primary expenditure (₹ 4,010 crore). The high incremental primary expenditure was mainly due to an increase of ₹ 5,081 crore under primary revenue expenditure.

- Bunching of repayments in any particular year will cause financial stress to that year's budget. The maturity profile of the State's debt indicates a year-on-year increase in its repayment burden. Hence, the greater the awareness of future debt payments, the Government will be in a position to ensure that fresh borrowings do not have to be paid back in those years where maximum repayment is due.

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12 Defined as the ratio of the debt redemption (principal + interest payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption, indicating the net availability of borrowed funds.

1.9 Fiscal Imbalances

Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised are applied are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits *vis-à-vis* targets set under FRBM Act/Rules for the financial year 2009-10.

1.9.1 Trends in Deficits

Charts 1.12 and **1.13** presents the trends in deficit indicators over the period 2005-10.

Chart 1.12 : Trends in Deficit Indicators

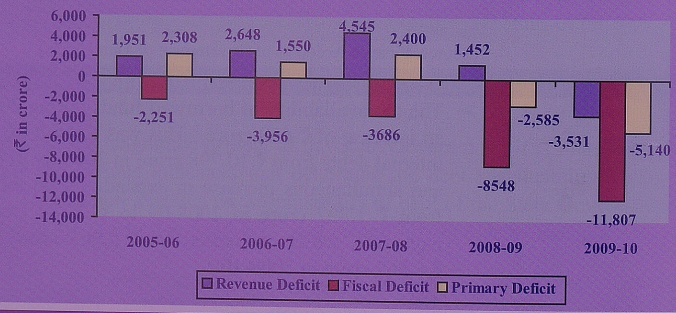
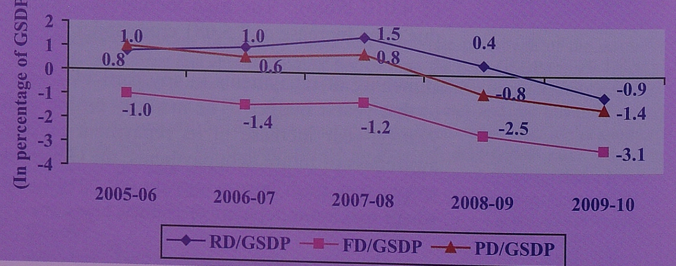


Chart 1.13: Trends in Deficit Indicators relative to GSDP



- The revenue surplus, which prevailed during the last four continuous years, turned negative with a deficit of ₹ 3,531 crore.

- The fiscal deficit and primary deficit increased by ₹ 3,259 crore and ₹ 2,555 crore over 2008-09.

1.9.2 Composition of Fiscal Deficit and its Financing Pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in **Table 1.16.**

Table1.16: Components of Fiscal Deficit and its Financing Pattern

(₹ in crore)

	Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
Decomposition of Fiscal Deficit		**(-) 2,251**	**(-) 3,956**	**(-) 3,686**	**(-) 8,548**	**(-) 11,807**
1	Revenue Surplus/Deficit (-)	1,951	2,648	4,545	1,452	(-) 3,531
2	Net Capital Expenditure	4,054	5,952	7,462	9,104	8,573
3	Net Loans and Advances	148	652	769	896	(-) 297
Financing Pattern of Fiscal Deficit*						
1	Market Borrowings	1,214	1,372	4,127	8,792	11,725
2	Loans from GOI	139	(-) 213	469	724	698
3	Special Securities issued to National Small Savings Fund	6,094	3,898	(-) 782	(-) 173	271
4	Loans from Financial Institutions	(-) 528	(-) 2,600	287	282	351
5	Small Savings, PF etc	328	256	383	578	980
6	Deposits and Advances	(-) 7	1130	138	1576	712
7	Suspense and Miscellaneous	1086	963	162	194	(-) 547
8	Remittances	138	52	(-) 130	78	57
9	Reserve Funds	(-) 74	168	130	553	817
10	Contingency Fund	(-) 16	16	-	-	1
	Total	**8,374**	**5,042**	**4,784**	**12,604**	**15,065**
11	Overall Surplus/Deficit (-) (Cash Balance)	6,123	1,086	1,098	4,056	3,258

(Source: Finance Accounts of Government of Tamil Nadu)

* All these figures are net of disbursements/outflows during the year.

- Despite substantial decline in the capital expenditure and net loans and advances, the fiscal deficit increased from ₹ 8,548 crore in 2008-09 to ₹ 11,807 (38 *per cent*) due to a revenue deficit of ₹ 3,531 crore in the current year as against a surplus of ₹ 1,452 crore during 2008-09.

- The State is increasingly banking on market borrowings for financing its fiscal deficit. The net market borrowings during 2009-10 increased to ₹ 11,725 crore from ₹ 8,792 crore during 2008-09.

- Deposits and Advances decreased by ₹ 864 crore over 2008-09.

- The overall surplus of ₹ 3,258 crore, an increase from ₹ 1,086 crore in 2006-07 and ₹ 1,098 crore in 2007-08 and a decrease from ₹ 4,056 crore during 2008-09, indicated that the borrowings were in excess of requirement.

1.9.3 Quality of Deficit/Surplus

The ratio of revenue deficit to fiscal deficit and the decomposition of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the States' finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. The bifurcation of the primary deficit **(Table 1.17)** would indicate the extent to which the deficit had been on account of enhancement in capital expenditure, which may have been desirable to improve the productive capacity of the State's economy.

Table 1.17: Primary deficit/Surplus – Bifurcation of factors

(₹ in crore)

Year	Non-debt receipts	Primary Revenue Expenditure	Capital Expenditure	Loans and Advances	Primary Expenditure	Primary revenue deficit (-) / surplus (+)	Primary deficit (-) / surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2005-06	34,852	27,450	4,054	1,040	32,544	7,402	2,308
2006-07	42,515	32,759	5,952	2,254	40,965	9,756	1,550
2007-08	48,533	36,889	7,462	1,782	46,133	11,644	2,400
2008-09	56,976	47,627	9,104	2,830	59,561	9,349	(-) 2,585
2009-10	58,431	52,708	8,573	2,290	63,571	5,723	(-) 5,140

(Source: Finance Accounts of Government of Tamil Nadu)

- During the period 2005-06 to 2009-10, non-debt receipts increased from ₹ 34,852 crore to ₹ 58,431 crore (67.7 *per cent)* against an increase of 92.01 *per cent* in primary revenue expenditure, 111.47 *per cent* in capital expenditure, 120.19 *per cent* in loans and advances and 95.3 *per cent* in primary expenditure.

- Capital expenditure as a percentage of primary expenditure marginally increased from 12.46 in 2005-006 to 13.49 in 2009-10. Loans and advances as a percentage of primary expenditure increased from 3.2 in 2005-06 to 3.60 in 2009-10.

- The adequacy of non-debt receipts to meet the primary expenditure led to the emergence of primary surplus during 2005-06 to 2007-08. However, the non-debt receipts were not enough to meet expenditure requirements during 2008-09 and 2009-10, resulting in primary deficit. The primary revenue expenditure increased by 11 *per cent* while the capital expenditure and disbursement of loans and advances decreased by 6 *per cent* and 19 *per cent* respectively over the previous year.

1.10 Conclusion and Recommendations

The State's own taxes are not keeping pace with its GSDP. The State's non-tax revenue has decreased by ₹ 685 crore (12 *per cent*) during 2009-10. The fall in non-tax revenue is a matter of concern. Further, the State has become a revenue deficit State from its status of revenue surplus as the revenue surplus which was ₹ 1,452 crore during 2008-09 turned to revenue deficit of ₹ 3,531 crore due to disproportionate growth of revenue expenditure (10.8 *per cent)* vis-à-vis revenue receipts (1.5 *per cent*). The State should take steps to ensure increase in non-tax revenue and State's own taxes as well as contain unproductive revenue expenditure.

Committed expenditure consumed 73 *per cent* of the revenue receipts as against 65 *per cent* during 2008-09, mainly due to increase in salaries, pension and subsidies. This leaves less room for the State Government for current operations.

Capital expenditure has decreased by ₹ 531 crore (5.83 *per cent*) during 2009-10. Capital expenditure on asset creation, as a percentage of aggregate expenditure, stood at 12.21 as against the general category States average of 14.85. The priority given to Capital Expenditure continues to be relatively lower in comparison to other general category States. As development of the State depends on the investment on asset creation, the State would be better off by paying more attention on incurring capital expenditure.

The Government of Tamil Nadu has been giving due priority to the social sector. However, compared to the general category States' average, there appears to be a need for greater priority to Economic Services and creation of productive assets through greater priority to capital expenditure.

The revenue from irrigation projects was too low to sustain them. Blocking of huge sums in incomplete projects delays and undermines the economic benefits realizable through them. Investments of the Government in statutory corporations, public sector companies and co-operatives continue to yield meagre returns. Unless there is very clear social justification, continued investment on non revenue generating projects may be avoided as the financial stability of the state could be adversely affected.

Rising debt-GSDP ratio as indicated by quantum spread together with Primary Deficit turning negative, increased net availability of borrowed funds and the negative resource gap was a matter of concern. The Government has not curtailed off-budget borrowings. Government needs to tone up its cash balance management system, ensure proper planning for borrowings and curtail off-budget borrowings.

As large amount of money is being given directly by Government of India to State implementing agencies like DRDA, the State Government may institute a mechanism for centralised monitoring of utilisation of funds.

CHAPTER II

FINANCIAL MANAGEMENT
AND
BUDGETARY CONTROL

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FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

2.1 Introduction

The Appropriation Accounts are accounts of the expenditure, voted and charged, of the government for each financial year, compared with the amounts of the voted grants and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Acts. These Accounts list the original budget estimate, supplementary grants, surrenders and re-appropriation distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorized by the Appropriation Act in respect of both charged and voted items of budget. The Appropriation Accounts thus facilitate the management of finances and monitoring of budgetary provisions and are therefore, complementary to the Finance Accounts.

Audit of appropriations by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants is within the authorization given under the Appropriation Act and whether the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules and regulations and instructions.

2.2 Summary of Appropriation Accounts

The summarized position of actual expenditure during 2009-2010 against 53 grants/appropriations was as given in **Table 2.1**:

Table 2.1: Summarized Position of Actual Expenditure *vis-à-vis* Original/Supplementary Provisions

(₹ in crore)

	Nature of expenditure	Original grant/ Appropriation	Supplementary grant/ Appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
Voted	I Revenue	53,675.34	4,610.20	58,285.54	53,546.11	(-) 4,739.43
	II Capital	10,578.47	225.56	10,804.03	8,582.38	(-) 2,221.65
	III Loans and Advances	1,766.42	835.25	2,601.67	2,290.57	(-) 311.10
Total Voted		**66,020.23**	**5,671.01**	**71,691.24**	**64,419.06**	**(-) 7,272.18**
Charged	IV Revenue	*6,909.09*	*149.77*	*7,058.86*	*6,964.16*	*(-) 94.70*
	V Capital	*6.00*	*7.58*	*13.58*	*3.54*	*(-) 10.04*
	VI Public Debt-Repayment	*4,013.33*	*0.00*	*4,013.33*	*2,511.81*	*(-) 1,501.52*
Total Charged		***10,928.42***	***157.35***	***11,085.77***	***9,479.51***	***(-) 1,606.26***
Appropriation to Contingency Fund (if any)		..	..	..	..	..
Grand Total		**76,948.65**	**5,828.36**	**82,777.01**	**73,898.57**	**(-) 8,878.44**

(Source: Appropriation Accounts of Government of Tamil Nadu)

The overall saving of ₹ 8,878.44 crore was the result of savings of ₹ 8,933.04 crore in 48 grants and 46 appropriations under the Revenue Section, 34 grants and five appropriations under the Capital Section and 17 grants and one appropriation (Public Debt-Repayment) under the Loans Section, offset by excess of ₹ 54.60 crore in three grants and two appropriations under the Revenue Section, three grants under the Capital Section and two grants under the Loans Section.

The savings/excesses were intimated (July 2010) to the Controlling Officers, requesting them to explain the significant variations. Out of 629 sub-heads, explanations for variations were not received (July 2010) in respect of 367 sub-heads (Saving: 239 sub-heads and Excess: 128 sub-heads).

2.3 Financial Accountability and Budget Management

2.3.1 Appropriations *vis-à-vis* Allocative Priorities

The outcome of appropriation audit revealed that in 19 cases, savings exceeded ₹ 10 crore in each case and also by more than 20 *per cent* of the total provision (**Appendix 2.1**). Against the total savings of ₹ 8,878.44 crore, savings of ₹ 8,202.34 crore (92.38 *per cent*) occurred in 28 cases relating to 26 grants and two appropriations as indicated in **Table 2.2.**

Table 2.2: List of Grants with savings of ₹ 50 crore and above

(₹ in crore)

Sl. No.	No. and Name of the Grant/ Appropriation	Original	Supplementary	Total	Actual Expenditure	Savings
	Revenue-Voted					
1.	05 - Agriculture Department	1744.32	246.52	1990.84	1852.79	138.05
2.	10 - Commercial Taxes (Commercial Taxes and Registration Department)	261.91	2.38	264.29	206.70	57.59
3.	12 - Cooperation (Cooperation, Food and Consumer Protection Department)	459.90	268.92	728.82	612.62	116.20
4.	13 - Food and Consumer Protection (Cooperation, Food and Consumer Protection Department)	3112.06	1204.68	4316.74	4224.82	91.92
5.	16 - Finance Department	477.67	1.09	478.76	409.87	68.89
6.	19 - Health and Family Welfare Department	3184.83	328.05	3512.88	3340.74	172.14
7.	20 - Higher Education Department	1429.55	263.06	1692.61	1300.64	391.97
8.	21 - Highways Department	1295.98	14.83	1310.81	1155.53	155.28
9.	22 - Police (Home, Prohibition and Excise Department)	2706.35	10.73	2717.08	2453.67	263.41
10.	27 - Industries Department	256.26	440.69	696.95	38.77	658.18

Sl. No.	No. and Name of the Grant/ Appropriation	Original	Supplementary	Total	Actual Expenditure	Savings
11.	34 - Municipal Administration and Water Supply Department	2767.22	124.99	2892.21	2729.31	162.9
12.	41 - Revenue Department	2146.17	13.03	2159.2	2058.54	100.66
13.	42 - Rural Development and Panchayat Raj Department	4504.92	137.07	4641.99	4285.23	356.76
14.	45 - Social Welfare and Nutritious Meal Programme Department	2167.43	0.20	2167.63	2103.02	64.61
15.	50 - Pension and Other Retirement Benefits	9861.95	..	9861.95	8437.99	1423.96
16.	51 - Relief on account of Natural Calamities	250.02	92.18	342.2	286.98	55.22
	Revenue- Charged					
17.	53 - Debt Charges	*6805.04*	*122.53*	*6927.57*	*6849.69*	*77.88*
	Capital-Voted					
18.	12 - Cooperation (Cooperation, Food and Consumer Protection Department)	957.77	0.12	957.89	750.38	207.51
19.	19 - Health and Family Welfare Department	205.86	0.10	205.96	154.57	51.39
20.	21 - Highways Department	3087.25	..	3087.25	2660.22	427.03
21.	26 - Housing and Urban Development Department	874.12	..	874.12	319.16	554.96
22.	34 - Municipal Administration and Water Supply Department	1192.00	1.20	1193.2	884.16	309.04
23.	40 - Irrigation (Public Works Department)	957.13	3.01	960.14	722.31	237.83
24.	41 - Revenue Department	269.98	..	269.98	10.01	259.97
	Loans -Voted					
25.	26 - Housing and Urban Development Department	220.79	337.78	558.57	507.78	50.79
26.	27 - Industries Department	200.00	40.65	240.65	93.98	146.67
27.	34 - Municipal Administration and Water Supply Department	265.74	8.20	273.94	173.93	100.01
	Loans-Charged					
28.	54 - Public Debt Repayment	*4013.33*	..	*4013.33*	*2511.81*	*1501.52*
	Total	**55675.55**	**3662.01**	**59337.56**	**51135.22**	**8202.34**

(Source: Appropriation Accounts of Government of Tamil Nadu)

2.3.2 Persistent Savings

In 18 cases, during the last five years there were persistent savings of more than five *per cent* of the total grant as indicated in **Table 2.3.**

Table 2.3: List of Grants indicating Persistent Savings during 2005-10

(₹ in crore)

Sl. No.	No. and Name of the Grant	Amount of Savings				
		2005-06	2006-07	2007-08	2008-09	2009-10
Revenue - Voted						
1.	2 – Governor and Council of Ministers	3.08 (17.45)	2.54 (14.23)	1.32 (6.94)	2.99 (13.38)	4.67 (17.90)
2.	5 – Agriculture Department	69.72 (8.58)	69.51 (7.16)	168.51 (14.97)	113.43 (7.62)	138.05 (6.93)
3.	7 – Fisheries (Animal Husbandry, Dairying and Fisheries Department)	20.88 (25.18)	35.30 (32.92)	28.67 (29.64)	36.69 (32.99)	37.53 (19.51)
4.	9 – Backward Classes, Most Backward Classes and Minorities Welfare Department	23.31 (7.69)	38.35 (11.44)	36.74 (9.91)	31.18 (7.70)	37.37 (8.58)
5.	11 – Stamps and Registration (Commercial Taxes on Registration Department)	11.38 (11.23)	22.04 (17.11)	11.34 (7.89)	14.79 (9.99)	25.41 (13.55)
6.	20- Higher Education Department	172.47 (18.56)	110.79 (12.37)	227.47 (21.56)	152.68 (12.31)	391.96 (23.16)
7.	21- Highways and Minor Ports Department	172.47 (18.56)	142.30 (12.44)	165.71 (13.78)	155.90 (12.35)	155.29 (11.85)
8.	22 – Police (Home, Prohibition and Excise) Department	98.09 (7.17)	192.65 (11.46)	301.63 (15.65)	177.61 (7.98)	263.41 (9.69)
9.	23 – Fire and Rescue Services (Home, Prohibition and Excise Department)	26.82 (29.08)	27.51 (26.04)	32.09 (27.89)	23.00 (17.92)	43.95 (24.61)
10.	25 – Motor Vehicles Acts – Administration (Home, Prohibition and Excise Department)	20.53 (29.09)	4.72 (7.04)	10.51 (17.06)	18.49 (21.14)	16.43 (17.35)
11.	27 – Industries Department	23.63 (46.23)	21.76 (25.56)	45.05 (56.29)	161.25 (46.17)	658.18 (94.44)
12.	28 - Information and Publicity (Tamil Development, Religious Endowments and Information Department)	8.54 (21.95)	3.13 (8.60)	2.29 (6.43)	2.85 (6.54)	3.34 (6.91)
13.	33 – Law Department	2.19 (22.73)	2.44 (23.04)	4.89 (35.85)	3.66 (25.73)	2.79 (18.49)
14.	35 – Personnel and Administrative Reforms Department	1.69 (6.81)	3.35 (11.29)	3.69 (10.71)	3.17 (8.12)	4.51 (10.06)
15.	38 – Public Department	37.00(23.36)	36.12 (18.49)	20.58 (13.64)	25.59 (15.70)	27.83 (9.81)
16.	44 – Micro, Small and Medium Enterprises Department	30.46 (35.58)	8.36 (17.71)	28.10 (44.51)	42.74 (45.44)	27.05 (27.17)
17.	46 – Tamil Development (Tamil Development, Religious Endowments and Information Department)	2.77 (7.08)	2.94 (6.50)	4.08 (14.49)	4.19 (14.98)	2.76 (8.86)
18.	47 – Hindu Religious and Charitable Endowments (Tamil Development, Religious Endowments and Information Department)	2.37 (8.22)	3.86 (11.37)	4.87 (11.36)	10.45 (19.09)	2.60 (5.24)

(Source: Appropriation Accounts of Government of Tamil Nadu)

From the above table, it may be seen that the savings continued over the years indicating improper estimation.

2.3.3 Expenditure without Provision

As per Para 14 (ii) of the Tamil Nadu Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds. It was, however,

noticed that expenditure of ₹ 1.08 crore was incurred in 17 cases as detailed in **Table 2.4** without any provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect.

Table 2.4: Expenditure incurred without provision during 2009-10

(In ₹)

Sl.No	Grant No	Head of Account	Actual Expenditure
	04	2225.01.277.KH (V)	17500
	22	7610.00.201.JB (V)	440000
	40	4701.03.226.JC (V)	42486
	40	4701.03.308.JA (V)	72269
	40	4701.03.315.JA (V)	34109
	40	4701.03.367.PA (V)	3700482
	40	4701.03.372.PA (V)	1630410
	53	2049.01.101.AB (C)	1591467
	53	2049.60.101.AD (C)	124050
	53	2049.60.101.AQ (C)	2646023
	53	2049.60.101.AR (C)	25862
	53	2049.60.101.AS (C)	4074
	53	2049.60.101.AV (C)	3245
	53	2049.60.101.CN (C)	33878
	53	2049.60.101.EF (C)	8469
	53	2049.60.101.EG (C)	391299
	53	2049.60.101.EP (C)	9014
Total			**10774637 or ₹ 1.08 crore**

(Source: Appropriation Accounts of Government of Tamil Nadu)

V: Voted; C: Charged

2.3.4 Drawal of funds to avoid lapse of budget grant

As per Article 39 of the Tamil Nadu Financial Code, Volume-I, all appropriations lapse at close of financial year. No money should be drawn from the treasury in order to prevent it from lapsing and use it for expenditure after the end of year.

However, under Integrated Child Development Services (ICDS) programme, to implement Kishori Sakthi Yojana, a training programme, and to purchase computers, a sum of ₹ 4.95 crore was drawn (March 2010) by the Commissioner, ICDS in order to avoid lapse of funds.

2.3.5 Excess over provisions relating to previous years requiring regularization

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularized by the State Legislature. Although no time limit for regularization of expenditure has been prescribed under the Article, the regularization of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the

Public Accounts Committee. However, excess expenditure amounting to ₹ 5,947.25 crore for the years 1999-2009 was still to be regularized as detailed in **Appendix 2.2.**

Non-regularisation of the excess over grants/appropriations over the years is a breach of legislative control over appropriations.

2.3.6 Excess over provisions during 2009-10 requiring regularization

Table 2.5 contains a summary of the total excess over provision of funds in nine grants amounting to ₹ 54.60 crore during 2009-10, requiring regularization under Article 205 of the Constitution.

Table 2.5: Excess over provisions requiring regularization during 2009-10

(₹ in crore)

Sl. No.	Number and title of grant/appropriation		Total grant/ appropriation	Expenditure	Excess
	Voted Grants -				
1.	14	Energy Department – Capital	128.00	135.00	7.00
2.	16	Finance Department – Loans	38.13	38.77	0.64
3.	26	Housing and Urban Development Department – Revenue	815.77	815.95	0.18
4.	40	Irrigation (Public Works Department) - Revenue	937.17	947.05	9.88
5.	43	School Education Department – Revenue	9085.06	9116.11	31.05
6.	43	School Education Department – Loans	0.06	0.09	0.03
7.	44	Micro, Small and Medium Enterprises Department - Capital	0.73	5.68	4.95
8.	47	Hindu Religious and Charitable Endowments (Tamil Development, Religious Endowments and Information Department) - Capital	2.22	2.63	0.41
	Total	**Voted**	**11007.14**	**11061.28**	**54.14**
	Charged Appropriations -				
9.	02	Governor and Council of Ministers – Revenue	*6.43*	*6.45*	*0.02*
10.	50	Pensions and Other Retirement Benefits – Revenue	*0.81*	*1.25*	*0.44*
	Total	**Charged**	***7.24***	***7.70***	***0.46***
Grand Total			**11014.38**	**11068.98**	**54.60**

(Source: Appropriation Accounts of Government of Tamil Nadu)

2.3.7 Unnecessary/Excessive/ Inadequate supplementary provision

Supplementary provisions aggregating ₹ 1212.03 crore obtained in 32 cases of ₹ 50 lakh or more in each case during the year, proved unnecessary as the expenditure did not come up to the levels of the original provision as detailed in **Appendix 2.3**. In four cases, supplementary provisions of ₹ 346 crore proved insufficient by more than ₹ 1 crore in each case, leaving an aggregate uncovered excess expenditure of ₹ 53 crore **(Appendix 2.4).**

2.3.8 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Injudicious re-appropriation proved excessive or insufficient and resulted in savings/excess of over ₹ 10 lakh under 782 sub-heads. The excess/savings were more than ₹ 2 crore under 130 sub-heads as detailed in **Appendix 2.5**.

2.3.9 Unexplained re-appropriations

According to paragraph 151 (ii) of the Tamil Nadu Budget Manual, Volume-I, reasons for the additional expenditure and the savings should be explained in the re-appropriation statement and vague expressions such as "based on actual requirements", "based on trend of expenditure", etc., should be avoided. However, a scrutiny of re-appropriation orders issued by the Finance Department revealed that in respect of 3,376 items out of 16,570 items (20.37 *per cent*), reasons given for additional provision/withdrawal of provision in re-appropriation orders were of general nature like "actual requirement", "based on latest assessment" and "restriction of expenditure".

2.3.10 Substantial surrenders

Substantial surrenders (the cases where more than 50 *per cent* of the total provision was surrendered) were made in respect of 184 sub-heads on account of either non-implementation or slow implementation of schemes/ programmes. Out of the total provision amounting to ₹ 8,224.78 crore in these 184 schemes, ₹ 6,767.93 crore (82 *per cent*) were surrendered, which included cent *per cent* surrender in 56 schemes (₹ 3,120.06 crore).

2.3.11 Surrender in excess of actual saving

In 28 cases, the amounts surrendered (₹ 50 lakh or more in each case) were in excess of the actual savings, indicating lack of or inadequate budgetary control in these departments. As against savings of ₹ 3,620.04 crore, the amount surrendered was ₹ 3,988.55 crore, resulting in excess surrender of ₹ 368.51 crore. Details are given in **Appendix 2.6**.

2.3.12 Anticipated savings not surrendered

As per Para 140 the Tamil Nadu Budget Manual, spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when savings are anticipated. At the close of the year 2009-10, there were, however, four grants/appropriations in which savings occurred but no part of which had been surrendered by the concerned

departments. The amount involved in these cases was ₹ 221.98 crore (2.48 *per cent* of the total savings) is indicated in **Table 2.6**.

Table 2.6: Statement of various grants/appropriations in which savings occurred but no part of which had been surrendered

(₹ in crore)

Sl.No.	Grant No.	Name of grant/appropriation	Savings
	Capital - Voted		
1.	12	Cooperation (Cooperation, Food and Consumer Protection Department)	207.51
2.	17	Handlooms and Textiles (Handlooms, Handicrafts, Textiles and Khadi Department))	3.71
3.	27	Industries Department	6.40
	Capital - Charged		
4.	21	Highways Department	4.36
		Grand Total	**221.98**

(Source: Appropriation Accounts of Government of Tamil Nadu)

Similarly, out of the total savings of ₹ 5,044.96 crore under 35 grants/appropriations (savings of ₹ 1 crore and above were indicated in each grant/appropriation) grants aggregating ₹ 653.66 crore (7.32 *per cent* of the total savings) were not surrendered, details of which are given in **Appendix 2.7.** Besides, in 27 cases, (surrender of funds in excess of ₹ 10 crore) ₹ 2214.90 crore (**Appendix 2.8)** were surrendered on the last two working days of March 2010 indicating inadequate financial control and the fact that these funds could not be utilized for other development purposes.

2.3.13 Rush of expenditure

According to Article 39 of the Tamil Nadu Financial Code, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of the 57 sub-heads listed in **Appendix 2.9**, expenditure exceeding ₹ 10 crore and also more than 50 *per cent* of the total expenditure for the year was incurred in March 2010.

Appropriate action needs to be taken to regulate and systematise the procedure to avoid heavy expenditure in the closing month of the financial year.

2.4 Non-reconciliation of Departmental figures

2.4.1 Unreconciled Expenditure

To enable Controlling Officers of Departments to exercise effective control over expenditure to keep it within the budget grants and to ensure accuracy of their accounts, Financial Rules stipulate that expenditure recorded in their books be reconciled by them every month during the financial year with that recorded in the books of the Accountant General (Accounts & Entitlements).

Even though non-reconciliation of Departmental figures is being pointed out regularly in Audit Reports, lapses on the part of Controlling Officers in this regard persisted during 2009-10 also. Twenty two Controlling Officers did not reconcile expenditure amounting to ₹ 1890.75 crore as of June 2010.

Of the 22 Controlling Officers amounts exceeding ₹ 10 crore in each case remained unreconciled during 2009-2010 in respect of the following 6 Controlling Officers.

Table 2.7: Unreconciled expenditure during 2009-10

(₹ in crore)

Sl. No.	Controlling Officers	Amount not reconciled
1.	Director of Seed Certification	12.31
2.	Commissioner of Agriculture Marketing	28.41
3.	Principal Secretary to Government, Finance Department	1678.20
4.	The Commissioner of Municipal Administration	50.00
5.	The Commissioner of Industries and Commerce	92.88
6.	The Secretary to Government, Transport Department	10.00

(Source: Office of the Principal Accountant General (A&E), Tamil Nadu)

The Tamil Nadu Budget Manual stipulates (vide Paragraph 109) that Chief Controlling Officers should arrange to obtain from their subordinates, monthly accounts and returns in suitable form claiming credit for so much paid into the Treasury or otherwise accounted for and compare these with the Statements of treasury credits furnished by the Accountant General, Tamil Nadu, to see that the amounts reported as collected have been duly credited to Government account. Paragraph 128 of the Budget Manual also stipulates that all disbursing officers and subordinate controlling officers should reconcile their departmental figures including receipts with the treasury figures.

Twenty five Controlling Officers did not reconcile receipts amounting to ₹ 227.40 crore as of June 2010.

2.4.2 Non-adjustment of Temporary Advances

Drawing and Disbursing Officers (DDOs) draw temporary advances for the purpose of meeting contingent expenditure either on the authority of standing orders or specific sanction of the State Government. According to Article 99 of the Tamil Nadu Financial Code, the advances should be adjusted by presenting detailed bills and vouchers as soon as possible.

Scrutiny of information furnished by six Pay and Accounts officers[1] (PAO) and nine District Treasury Officers[2] disclosed that as of March 2010, an aggregate amount of ₹ 141.81 crore was pending adjustment in respect of 2,817 advances by DDOs. Age-wise analysis of advances pending are given in **Table 2.8**.

Table 2.8: Age-wise Analysis of Advances Pending

Sl. No.	Pendency	No. of Advances	Amount (₹ in crore)
1	More than 10 years	73	5.40
2	More than five years upto 10 years	88	2.79
3	More than one year but less than five years	1,715	107.32
4	Less than one year	1,001	26.30
	Total	**2,817**	**141.81**

(Source: Data furnished by Pay and Accounts Officers/Treasury Officers)

1 PAO (East), PAO (High Court), PAO (North), PAO (Secretariat), PAO (South) and PAO (Madurai).

2 Chennai, Coimbatore, Namakkal, Salem, Sivaganga, Vellore, Villupuram, Tirunelveli and Thanjavur.

The above instances would prove that laxity in enforcing codal provisions has resulted in pendency of a large number of advances involving substantial amounts.

2.5 Advances from Contingency Fund

The Contingency Fund of the State has been established under The Tamil Nadu Contingency Fund Act, 1954 in terms of provisions of Article 267 (2) and 283 (2) of the Constitution of India. Advances from the fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorization by the Legislature would be undesirable. The fund is in the nature of an imprest and its corpus is ₹ 150 crore. During the year 2009-10, however, it was noticed that in 50 out of 99 cases wherein funds were drawn from Contingency Fund amounting to ₹ 88.02 crore, as detailed in **Appendix 2.10** were not fully utilized indicating that the funds were not drawn to meet unforeseen expenditure/urgent expenditure. In respect of eight cases, the actual expenditure was less than 50 *per cent* of the funds sanctioned as detailed in **Appendix 2.11.**

2.6 Personal Deposit Accounts

2.6.1 Personal Deposit (PD) Accounts are created for parking of funds by debit to the Consolidated Fund of the State and are required to be closed at the end of the financial year by minus debit to the relevant service heads. There were 1,270 PD accounts in 29 District Treasuries and five Pay and Accounts Offices, in operation. Of these accounts, 1,137 PD accounts were not closed as of March 2010 and the balance of ₹ 213.98 crore with these accounts was not transferred back to the respective service heads. Out of 1,137 accounts 735 accounts with a balance of ₹ 17.60 crore were not operated during 2009-10.

2.6.2 According to Tamil Nadu Financial Code, an expenditure should not be *prima facie* more than the occasion demands and Government funds should not on any account be reserved or appropriated by transfer to a deposit or any other head or be drawn from the treasury and kept in a cash chest in order to prevent the funds from lapsing. However, scrutiny of records relating to the maintenance of PD account operated by the Commissioner (Hindu Religious and Charitable Endowments) revealed that out of ₹ 9 crore sanctioned during 2007-10 for undertaking repairs and renovations of temples, only ₹ 3.22 crore (2007-08 – ₹ 1.54 crore; 2008-09 – ₹ 1.68 crore and 2009-10 – Nil) were spent. The remaining amount of ₹ 5.78 crore was withdrawn from the PD account and retained in the savings bank account of the temples as of March 2010.

Thus, the department in order to avoid lapsing of budgetary grants, drew the money from the PD account and retained it in the savings bank accounts.

2.7 Conclusion

During 2009-10, expenditure of ₹ 73898.57 crore was incurred against total grants and appropriations of ₹ 82777.01 crore, resulting in savings of ₹ 8878.44 crore. The overall savings were the net result of savings of ₹ 8933.04, crore offset by excess of ₹ 54.60 crore. Inaccuracies in budgeting

resulted in persistent saving of five *per cent* or more in 18 grants during 2005-10. In 28 cases, the amounts surrendered (₹ 50 lakh or more) were in excess of the actual savings. As against savings of ₹ 3620.04 crore, the amount surrendered was ₹ 3988.55 crore, resulting in excess surrender of ₹ 368.51 crore. There were four grants/appropriations in which total savings of ₹ 221.98 crore were observed but the same were not surrendered by the concerned departments. Similarly, out of the total saving of ₹ 5044.96 crore in other grants/appropriations (saving of ₹ 1 crore and above), ₹ 653.66 crore were not surrendered.

2.8 Recommendations

- Budgetary controls should be strengthened in all the Government departments, especially in those departments where savings had been observed for the last five years regularly.

- Rush of expenditure during the fag end of the financial year should be avoided.

- Heads of Departments should reconcile their expenditure every month during the financial year with that of the books of the Accountant General (Accounts and Entitlements).

- Government should initiate action to clear the pendency in adjustment of temporary advances.

- All Personal Deposit Accounts (8443-Civil Deposits-106-PD) should be closed and the unspent balances be credited to the Head of Account concerned at the end of every financial year.

CHAPTER III

FINANCIAL REPORTING

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CHAPTER III

FINANCIAL REPORTING

A sound internal financial reporting system and the availability of relevant and reliable information significantly contribute to efficient and effective governance by a State Government. Compliance with financial rules, procedures and directives as well as timeliness and quality of reporting are some of the attributes of good governance. Reports on compliance and controls, if effective and operational, assist State Governments in meeting their basic stewardship responsibilities, including strategic planning and decision-making. This chapter provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.

3.1 Delay in furnishing of Utilization Certificates

Article 210A of the Tamil Nadu Financial Code provided that for grants released during a year for specific purposes, Utilisation Certificates (UCs) should be obtained by the departmental officers from the grantees and after verification, these should be forwarded to the Accountant General within 18 months from the date of release, unless specified otherwise. However, in respect of grants and loans paid up to 2008-09, 1,207 UCs for an aggregate amount of ₹ 2,196.89 crore were in arrears as of September 2010. The department-wise break-up of outstanding UCs is given in **Appendix 3.1** and the year-wise analysis of delays in submission of UCs is summarised in **Table 3.1**.

Table 3.1: Year-wise arrears of Utilization Certificates

Period	Utilisation certificates outstanding	
	Number	Amount (₹ in crore)
2008-09	746	1309.06
2006-08	146	414.91
2004-06	29	439.90
2002-04	0	0.00
2000-02	0	0.00
1999-00 and earlier years	286	33.02
Total	**1,207**	**2196.89**

(Source: Principal Accountant General (A&E), Tamil Nadu)

Out of the above, 58 UCs for an aggregate amount of ₹ 1,043.98 crore were due from the Commissionerate of Revenue Administration, Relief on Account of Natural Calamities and 2 UCs for an aggregate amount of ₹ 250 crore were

due from the Director of Public Health and Preventive Medicine and 23 UCs for an aggregate amount of ₹ 210.35 crore were due from the Director of Social Welfare. Non-receipt of UCs for huge amounts indicates that the departmental officers failed to comply with rules and procedures to ensure accountability of the agencies that received Government funds.

3.2 Non-submission/delays in submission of Accounts

In order to identify the institutions which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the Government/head of a department is required to furnish to Audit every year, detailed information about the financial assistance given to various institutions, the purposes for which the assistance granted and the total expenditure of these institutions. As per the information furnished to Audit, a total of 1,157 autonomous bodies/authorities attracted audit by the Comptroller and Auditor General of India.

The annual accounts of 261 autonomous bodies/ authorities due up to 2009-10 had not been received as of July 2010 by the Principal Accountant General (Civil Audit). The details of these accounts are given in **Appendix 3.2** and their age-wise pendency is presented in **Table 3.2**

Table 3.2: Age-wise arrears of Annual Accounts due from Autonomous Bodies/Authorities

Sl. No.	Delay in Number of Years	Number of the Bodies/ Authorities
1.	0 – 1	55
2.	1 – 3	143
3.	3 – 5	48
4.	5 & above	15
Total		**261**

(Source: Compiled from annual accounts received from autonomous bodies/authorities)

The major defaulters were educational institutions receiving Government grants for salaries, maintenance etc. Non-receipt of annual accounts from a substantial number of autonomous bodies/authorities was in violation of the terms and conditions governing the release of grants by the Government.

3.3 Losses, defalcations, etc.

Article 294 of the Tamil Nadu Financial Code stipulates that heads of offices should report all cases of defalcations or loss of public moneys, stores or other movable or immovable properties to the Accountant General. Further, the Financial Code prescribes the principles and procedures to be followed for enforcing responsibility for losses and disposal of such cases.

The State Government reported 228 cases of shortages, theft and loss involving a total amount of ₹ 2.26 crore up to March 2010, on which final action was pending. The department-wise break-up of pending cases and the nature of these cases are given in **Appendix 3.3.** The age-profile of the pending cases and the number of cases pending in each category – defalcation, loss, theft etc., are summarised in **Table 3.3.**

Table 3.3: Profile of Misappropriation, Defalcation, Theft, Loss, etc.

Age-Profile of the Pending Cases			Nature of the Pending Cases		
Range in Years	Number of Cases	Amount Involved (₹ in lakh)	Nature of the Cases	Number of Cases	Amount Involved (₹ in lakh)
0 - 5	30	86.39	Theft, loss etc.	228	226.63
5 - 10	29	26.38			
10 - 15	46	58.13	Misappropriation/ defalcation	..	..
15 - 20	123	55.73			
20 - 25	..	..			
Total	**228**	**226.63**	**Total Pending cases**	**228**	**226.63**

(Source: Compiled from information received from heads of departments)

Reasons for which these cases are outstanding are given in **Table 3.4.**

Table 3.4: Reasons for Outstanding cases of Misappropriation, Defalcation, Theft, Loss etc.

Reasons for the Delays		Number of cases	Amount (₹ in lakh)
(i)	Awaiting departmental and criminal investigation	13	8.02
(ii)	Departmental action initiated but not finalised	..	..
(iii)	Criminal proceedings finalised but recovery of the amount still pending	..	..
(iv)	Awaiting orders for recovery or write off	215	218.61
(v)	Pending in courts of law	..	..
	Total	**228**	**226.63**

(Source: Compiled from information received from heads of departments)

As seen from the above, the number of cases awaiting departmental/criminal investigations was 13 with an amount of ₹ 8.02 crore, indicating the need for speeding up of departmental/criminal investigations.

3.4 Conclusion

Departmental officers failed to ensure adherence to the terms and conditions relating to timely submission of utilisation certificates and annual accounts by the grantee institutions. The State Government reported 228 cases of shortage, theft and loss involving a total amount of ₹ 2.26 crore up to March 2010, on which final action was pending.

3.5 Recommendations

- Heads of departments should initiate prompt action to submit utilisation certificates and ensure that all grantee institutions submit their Annual Accounts in time.

- Government/heads of departments should ensure issuance of orders relating to recovery/write off of outstanding cases of theft, loss etc., and initiate action for speedy completion of enquiry into pending cases.

Revathi Bedi

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Principal Accountant General (Civil Audit),
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Chennai
The 9 MAY 2011

Countersigned

Sd/-

(VINOD RAI)
Comptroller and Auditor General of India

New Delhi
The 11 मई MAY 2011

APPENDICES

Appendix 1.1

(Reference: Paragraph 1.1; Page 1)

State Profile

A.	General Data		
Sl. No.	Particulars		Figures
1	Area		130058 sq km
2	Population		
	a.	As per 2001 Census.	6.24 crore
	b.	2009-2010	6.68 crore
3	Density of Population (2001). (All India Density = 325 persons per Sq.Km)		480 persons per sq. km.
4	Population below poverty line. (All India Average = 27.5 %)		22.5 *per cent*
5	Literacy (2001) (All India Average = 64.8%)		73.45 *per cent*
6	Infant mortality (per 1000 live births). (All India Average = 53 per 1000 live births)		31
7	Life Expectancy at birth. (All India Average =63.5 years)		66.2 years
8	Gini Coefficient[1]		
	a.	Rural. (All India = 0.30)	0.32
	b.	Urban. (All India = 0.37)	0.36
9	Gross State Domestic Product (GSDP) 2009-2010 at current prices		₹ 379503 crore
10	GSDP CAGR[2] (2000-01 to 2009-10)		11.13 *per cent*
11	Per capita GSDP CAGR (2000-01 to 2009-10)		10.29 *per cent*
12	GSDP CAGR (2000-01 to 2008-2009)	Tamil Nadu	11.04 *per cent*
		Other General Category States	12.54 *per cent*
13	Population Growth (2000- 2001 to 2009-2010)	Tamil Nadu	7.03 *per cent*
		Other General Category States	13.42 *per cent*

B. Financial Data					
Sl. No.		Particulars	Figures (in *per cent*)		
1	CAGR		2000-01 to 2008-09		2000-01 to 2009-10
			General Category States	Tamil Nadu	Tamil Nadu
	a.	of Revenue Receipts.	14.40	14.74	13.18
	b.	of Own Tax Revenue.	13.59	13.44	12.88
	c.	of Non Tax Revenue.	12.08	16.27	12.72
	d.	of Total Expenditure.	12.38	13.52	12.80
	e.	of Capital Expenditure.	21.41	24.80	20.95
	f.	of Revenue Expenditure on Education.	9.33	9.07	10.40
	g.	of Revenue Expenditure on Health.	8.95	8.86	11.20
	h.	of Salary and Wages	9.37	8.50	10.06
	i.	of Pension.	12.03	12.91	12.40

Source: Financial data is based on figures in Finance Accounts. BPL (Planning Commission & NSSO data, 61st Round-http://planning commission.nic.in/data/database/Data0910/tab%2021.pdf), Gini Coefficient (Unofficial estimates of Planning Commission & NSSO data,61st Round 2004-05 MRP), Life Expectancy at birth (Office of the Registrar General of India; Ministry of Home Affairs; Economic Survey,2009-10), Infant mortality rate (SRS Bulletin October,2009), Density of population (Office of the Registrar General and census commissioner of India).

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1 It is a measure of inequality of income distribution where zero refers to perfect equality and one refers to perfect inequality.

2 GSDP= Gross State Domestic Product. CAGR = Compounded Annual Growth Rate

Appendix 1.2

(Reference: Paragraph 1.1; Page 1)

Part A: Structure and Form of Government Accounts

Structure of Government Accounts: The accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

Part I: Consolidated Fund: All Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans & Advances forms the Consolidated Fund of the State.

Part II: Contingency Fund: Legislature may by law establish a Contingency Fund which is in the nature of an imprest. The Fund is placed at the disposal of the Governor to enable advances to be made for meeting unforeseen expenditure pending authorization of such expenditure by the State Legislature. The fund is recouped by debiting the expenditure to the concerned functional major head in the Consolidated Fund of the State.

Part III: Public Account: All other public moneys received by or on behalf of the Government are credited to the Public Account. The expenditure out of this account is not subject to the vote of the Legislature. In respect of the receipts into this account, the Government acts as a banker or trustee. Transactions relating to Debt (other than Public Debt in Part I), Deposits, Advances, Reserve Funds, Remittances and Suspense form the Public Account.

Part B: Layout of Finance Accounts

Statement	Title	Layout
Statement No.1	Statement of Financial Position	Cumulative figures of assets and liabilities of the Government, as they stand at the end of the year, are depicted in the statement. The assets are valued at historical cost. The assets comprise Financial Assets and Physical Assets. The latter are shown against "(i) Capital Expenditure and (ii) Other Capital Expenditure" in this Statement.
Statement No.2	Statement of Receipts and Disbursements	This is a summarised statement showing all receipts and disbursements of the Government during the year in all the three parts in which Government account is kept, namely, the consolidated fund, contingency fund and public account. Further within the consolidated fund, receipts and expenditure on revenue and capital account are depicted distinctly.
Statement No.3	Statement of Receipts (Consolidated Fund)	This statement comprises revenue and capital receipts and receipts from borrowings of the Government consisting of loans from the Government of India, other institutions, market loans raised by the Government and recoveries on account of loans and advances made by the Government.
Statement No.4	Statement of Expenditure (Consolidated Fund)	This statement not only gives expenditure by function (activity) but also summarises expenditure by nature of activity (objects of expenditure).
Statement No. 5	Statement of Progressive Capital expenditure	This statement details progressive capital expenditure by functions, the aggregate of which is depicted in statement 1.
Statement No.6	Statement of Borrowings and other Liabilities	Borrowings of the Government comprise market loans raised by it (internal debt) and Loans and Advances received from the Government of India. Both these together form the public debt of the State Government. In addition, this summary statement depicts 'other liabilities' which are the balances under various sectors in the Public Account. In respect of the latter, the Government as a trustee or custodian of the funds, hence these constitute liabilities of the Government. The statement also contains an Explanatory Note, i.e a note on the quantum of net interest charges met from Revenue Receipts.

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Statement	Title	Layout
Statement No.7	Statement of Loans and Advances given by the Government	The loans and advances given by the State Government are depicted in statement 1 and recoveries, disbursements feature in statements 2, 3 and 4. Here, loans and advances are summarised sector and loanee group wise. This is followed by a note on the recoveries in arrear in respect of loans, details of which are maintained by the State departments.
Statement No.8	Statement of Grants-in-aid given by the Government	Presented grantee institutions group wise. It includes a note on grants given in kind also.
Statement No.9	Statement of Guarantees given by the Government	Guarantees given by the State Government for repayment of loans, etc., raised by Statutory Corporations, Government Companies, Local Bodies and other institutions during the year and sums guaranteed outstanding as at the end of the year are presented in this statement.
Statement No.10	Statement of Voted and Charged Expenditure	This statement presents details of voted and charged expenditure of the Government.
Statement No.11	Detailed Statement of Revenue and Capital Receipts by minor heads	This statement presents the revenue and capital receipts of the Government in detail.
Statement No.12	Detailed Statement of Revenue Expenditure by minor heads	This statement presents the details of revenue expenditure of the Government in detail. Non-Plan and Plan figures are depicted separately and a comparison with the figures for the previous year are available.
Statement No.13	Detailed Statement of Capital Expenditure	This statement presents the details of capital expenditure of the Government in detail. Non-Plan and Plan figures are depicted separately and a comparison with the figures for the previous year are available. Cumulative capital expenditure upto the end of the year is also depicted.
Statement No.14	Detailed Statement of Investments of the Government	The position of Government Investment in the share capital of different concerns is depicted in this statement for the current and previous year. Details include type of shares held, face value, dividend received etc.
Statement No.15	Detailed Statement on Borrowings and other Liabilities	Details of borrowings (market loans raised by the Government and Loans etc from GOI) by minor heads, the maturity and repayment profile of all loans is provided in this statement. This is the detailed statement corresponding to statement 6.
Statement No.16	Detailed Statement on Loans and Advances made by Government	The details of loans and advances given by the Government, the changes in loan balances, loans written off, interest received on loans etc., is presented in this statement. It also presents plan loans separately. This is the detailed statement corresponding to statement 7.
Statement No.17	Detailed Statement on Sources and Application of funds for expenditure other than on Revenue Account	The capital and other expenditure (other than on revenue account) and the sources of fund for the expenditure are depicted in this statement.
Statement No.18	Detailed Statement on Contingency Fund and Public Account transactions	The statement shows changes in Contingency Fund during the year, the appropriations to the Fund, expenditure, amount recouped etc. It also depicts the transactions in Public Account in detail.
Statement No.19	Detailed Statement on Investments of Earmarked Funds	This statement shows the details of investment out of Reserve Funds in Public Account.

Appendix 1.3

(Reference: Paragraph 1.1; Page 1)

Part A: Methodology adopted for assessment of fiscal position

The norms/Ceilings prescribed by the TFC for selected fiscal variable along with its projections for a set of fiscal aggregates and the commitments/projections made by the Governments in Tamil Nadu Fiscal Responsibility Act, 2003 and in other Statements required to be laid in the legislature under the Act **(Part B of this Appendix)** are used to make qualitative assessment of the trends and patterns of major fiscal aggregates. Assuming that GSDP is the good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentage to the GSDP at current market prices. The buoyancy coefficients for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilization of resources, pattern of expenditure etc, are keeping pace with the change in the base or these fiscal aggregates are also affected by factors other than GSDP. The trends in GSDP for the last five years are indicated below:

Trends in Gross State Domestic Product (GSDP)

	2005-06	2006-07	2007-08	2008-09	2009-2010
Gross State Domestic Product (₹ in crore)	2,23,528	2,46,266	2,79,287	3,39,212	3,79,503
Growth rate of GSDP (*per cent*)	11.33	10.17	13.41	21.46	11.88

Source: Directorate of Economics and Statistics

The definitions of some of the selected terms used in assessing the trends and pattern of fiscal aggregates are given below:

Terms	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth
Buoyancy of a parameter (X) With respect to another parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y)
Rate of Growth (ROG)	[(Current year Amount /Previous year Amount)-1]* 100
Development Expenditure	Social Services expenditure + Economic Services expenditure
Average interest paid by the State	Interest payment/[(Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities)/2]*100
Interest spread	GSDP growth – Average Interest Rate
Quantum spread	Debt stock * Interest spread
Interest received as *per cent* to Loans Outstanding	Interest Received [(Opening balance + Closing balance of Loans and Advances)/2] * 100
Revenue Deficit	Revenue Receipt – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest payments
Balance from Current Revenue (BCR)	Revenue Receipts **minus** all Plan grants and Non-plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of Avoidance of debt

Part B: The Tamil Nadu Fiscal Responsibility Act, 2003
The State Government enacted the Tamil Nadu Fiscal Responsibility Act, 2003 to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit, sustainable debt management consistent with fiscal stability, greater transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term fiscal framework. The Act prescribed the following fiscal management targets:
(a) Reduce the revenue deficit in each of financial year commencing from the 1st April 2005 so as to eliminate it by 31st March 2008 and maintain it at that level or generate revenue surplus thereafter.
(b) Reduce fiscal deficit in each financial year, commencing from the 1st April 2005, so as to bring it down to not more than three *per cent* of GSDP by 31st March 2009.
(c) Cap outstanding guarantees within 100 per *cent* of Revenue receipts of previous year or 10 *per cent* of GSDP, whichever is the least.

Appendix 1.4

(Reference: Paragraphs 1.1, 1.3 and 1.7.2; Pages 1, 6 and 24)

Time series data on the State Government finances

(₹ in crore)

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Part A. Receipts					
1. Revenue Receipts	**33,960 (41)**	**40,913 (38)**	**47,520 (39)**	**55,042 (37)**	**55,844 (35)**
(i) Tax Revenue	**23,326 (68)**	**27,771 (68)**	**29,619 (62)**	**33,684 (61)**	**36,547 (65)**
Taxes on Agricultural Income	..	..	..	..	--
Taxes on Sales, Trade, etc	15,555 (67)	17,727 (64)	18,156 (61)	20,675 (61)	22,662 (62)
State Excise	3,177 (13)	3,986 (14)	4,764 (16)	5,756 (17)	6,741 (18)
Taxes on Vehicles	1,125 (5)	1,261 (5)	1,483 (5)	1,710 (5)	2,025 (6)
Stamps and Registration fees	2,085 (9)	2,997 (11)	3,805 (13)	3,794 (11)	3,662 (10)
Land Revenue	179 (1)	121 (..)	78 (..)	208 (1)	117 (-)
Taxes on Goods and Passengers	985 (4)	1244 (4)	1097 (4)	979 (3)	1,092 (3)
Other Taxes	220 (1)	435 (2)	236 (1)	562 (2)	248 (1)
(ii) Non Tax Revenue	**2,601 (8)**	**3,422 (8)**	**3,304 (7)**	**5,712 (10)**	**5,027 (9)**
(iii) State's share of Union taxes and duties	**5,013 (15)**	**6,394 (16)**	**8,065 (17)**	**8,511 (16)**	**8,756 (16)**
(iv) Grants in aid from Government of India	**3,020 (9)**	**3,326 (8)**	**6,532 (14)**	**7,135 (13)**	**5,514 (10)**
2. Miscellaneous Capital Receipts	..	..		..	--
3. Recoveries of Loans and Advances	**892 (3)**	**1602 (1)**	**1013 (1)**	**1934 (1)**	**2,587 (2)**
4. Total Revenue and Non debt capital receipts (1+2+3)	**34,852**	**42,515**	**48,533**	**56,976**	**58,431**
5. Public Debt Receipts	**8,966 (11)**	**7,147 (7)**	**7,647 (6)**	**11,841 (8)**	**15,557 (9)**
Internal Debt (excluding Ways and Means Advances and Overdrafts)	8,524	6,820	6,868	10,798	14,527
Net transactions under Ways and Means Advances and Overdrafts	..	..	..	..	--
Loans and Advances from Government of India	442	327	779	1,043	1,030
6. Total Receipts in the Consolidated Fund (4+5)	**43,818**	**49,662**	**56,180**	**68,817**	**73,988**
7. Contingency Fund Receipts	**..**	**16**	**..**	**..**	**1**
8. Public Account Receipts	**39,603 (47)**	**57,895 (54)**	**65,917 (54)**	**81,409 (54)**	**87,275 (54)**
9. Total Receipts of the State (6+7+8)	**83,421**	**1,07,573**	**1,22,097**	**1,50,226**	**1,61,264**
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	**32,009 (86)**	**38,265 (36)**	**42,975 (36)**	**53,590 (37)**	**59,375 (38)**
Plan	5,382 (17)	7,201 (19)	8,297 (19)	10,538 (20)	12,773 (22)
Non Plan	26,627 (83)	31,064 (81)	34,678 (81)	43,052 (80)	46,602 (78)
General Services (including interest payments)	12,891	14,995	16,129	18,578	20,297
Social Services	11,316	13,026	15,726	21,371	22,957
Economic Services	5,773	7,797	7,771	9,661	12,122
Grants-in-aid and contributions	2,029	2,447	3,349	3,980	3,999
11. Capital Expenditure	**4,054 (11)**	**5,952 (6)**	**7,462 (6)**	**9,104 (6)**	**8,573 (5)**
Plan	4,072 (100)	5,853 (98)	7,259 (97)	9,071 (100)	8,425 (98)
Non Plan	(-) 17	99 (2)	203 (3)	33	148 (2)
General Services	125	195	277	230	530
Social Services	1,121	1,132	1,239	1,434	2,151
Economic Services	2,808	4,626	5,946	7,440	5,892
12. Disbursement of Loans and Advances	**1,040 (3)**	**2,254 (2)**	**1,782 (1)**	**2,830 (2)**	**2,290 (1)**
13. Total (10+11+12)	**37,103**	**46,471**	**52,219**	**65,524**	**70,238**
14. Repayments of Public Debt	**2,046**	**4,690 (4)**	**3,546 (3)**	**2,216 (1)**	**2,512 (2)**
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1,353	4,150	3,235	1,897	2,180
Net transactions under Ways and Means Advances and Overdraft	391	..	..	..	--
Loans and Advances from Government of India	302	540	310	319	332

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
15. Appropriation to Contingency Fund	..	..	..	..	--
16. Total disbursement out of Consolidated Fund (13+14+15)	39,149	51,161	55,765	67,740	72,750
17. Contingency Fund disbursements	16	..	..	1	--
18. Public Account disbursements	38,132	55,326 (52)	64,661 (54)	78,429 (54)	85,256 (54)
19. Total disbursement by the State (16+17+18)	77,297	1,06,487	1,20,426	1,46,170	1,58,006
Part C. Deficits					
20. Revenue Deficit(-)/Revenue Surplus (+) (1-10)	1951	2648	4545	1452	(-) 3,531
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	(-) 2,251	(-) 3,956	(-) 3686	(-) 8,548	(-) 11,807
22. Primary Deficit (21+23)	2,308	1,550	2,400	(-) 2,585	(-) 5,140
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	4,559	5,506	6,086	5,963	6,667
24. Financial Assistance to local bodies etc.,	5,066	8,737	8,401	10,237	10,817
25. Ways and Means Advances/Overdraft availed (days)					
Ways and Means Advances availed (days)	675 (14)	..	..	..	--
Overdraft availed (days)	..	..	..	..	--
26. Interest on Ways and Means Advances/Overdraft	1	..		..	--
27 Gross State Domestic Product (GSDP)@	2,34,837	2,76,917	3,04,989	3,39,212	3,79,503
28 Outstanding Fiscal liabilities (year end)	62,310	66,320	71,072	83,662	99,180
29. Outstanding guarantees (year end) (including interest)	5,564	4,038	5,410	4,633	6,297
30. Maximum amount guaranteed (year end)	13,669	15,942	20,090	11,062	12,830
31. Number of incomplete projects	64	82	49	56	59
32. Capital blocked in incomplete projects	951	565	1,223	309	723
Part E: Fiscal Health Indicators					
I Resource Mobilization					
33. Own Tax revenue/GSDP	9.9	10.0	9.7	9.9	9.6
34. Own Non-Tax Revenue/GSDP	1.1	1.2	1.0	1.7	1.3
35. Central Transfers/GSDP	3.4	3.5	4.8	4.6	3.8
II Expenditure Management					
36. Total Expenditure/GSDP	15.8	16.8	17.1	19.3	18.5
37. Total Expenditure/Revenue Receipts	109.3	113.6	109.9	119.0	125.8
38. Revenue Expenditure/Total Expenditure	86.3	82.3	82.3	81.8	84.5
39. Expenditure on Social Services/Total Expenditure	33.5	30.5	30.7	34.8	32.7
40. Expenditure on Economic Services/Total Expenditure	15.6	16.8	14.9	14.7	17.3
41. Capital Expenditure/Total Expenditure	10.9	12.8	14.3	13.9	12.2
42. Capital Expenditure on Social and Economic Services/Total Expenditure.	10.6	12.4	13.8	13.5	11.5
III Management of Fiscal Imbalances					
43. Revenue deficit (surplus)/GSDP	0.8	1.0	1.5	0.4	(-) 0.9
44. Fiscal deficit/GSDP	(-) 1.0	(-) 1.4	(-) 1.2	(-) 2.5	(-) 3.1
45. Primary Deficit (surplus) /GSDP	1.0	0.6	0.8	(-) 0.8	(-) 1.4
46. Revenue Deficit/Fiscal Deficit	(-) 86.7	(-) 66.9	(-) 123.3	(-) 17.0	29.9
47. Primary Revenue Balance/GSDP	2.8	2.9	3.5	2.2	0.8
IV Management of Fiscal Liabilities					
48. Fiscal Liabilities/GSDP	26.5	23.9	23.3	24.7	26.1
49. Fiscal Liabilities/RR	183.5	162.1	149.6	152.0	177.6
50. Primary deficit vis-à-vis quantum spread	114.9	158.4	80.2	(-) 26.4	(-) 133.9
51. Debt Redemption (Principal +Interest)/ Total Debt Receipts	22.8	65.6	46.4	18.7	16.1
V Other Fiscal Health Indicators					
52. Return on Investment	0.8	0.6	0.4	0.5	0.4
53. Balance from Current Revenue (₹ in crore)	6,054	7,550	10,223	7,931	5,710
54. Financial Assets/Liabilities	0.61	0.67	0.76	0.81	0.80

Figures in bracket represent percentages (rounded) to total of each sub-heading

@ GSDP figures communicated by the Government adopted.

Appendix 1.5

(Reference: Paragraphs 1.1.1, 1.7.1 and 1.7.4; Pages 1, 23 and 26)

Part A: Abstract of Receipts and Disbursements for the year 2009-10

(₹ in crore)

		Receipts					Disbursements				
2008-09				2009-10	2008-09			Non-Plan	Plan	Total	2009-10
		Section-A: Revenue									
55,042.51	I	**Revenue receipts**		**55,844.13**	**53,590.26**	I	**Revenue expenditure-**				**59,375.35**
33,684.37		-Tax revenue	36,546.67		18,577.70		**General services**	**20,274.71**	**21.83**	**20,296.54**	
					21,371.48		**Social Services-**	**13,267.79**	**9,689.73**	**22,957.52**	
5,712.33		-Non-tax revenue	5,027.05		8,804.15		-Education, Sports, Art and Culture	9,970.83	740.30	10,711.13	
					2,288.49		-Health and Family Welfare	2,009.33	1,007.19	3,016.52	
8,510.80		-State's share of Union Taxes	8,756.19		2,708.88		-Water Supply, Sanitation, Housing and Urban Development	91.58	2,217.81	2,309.39	
					789.53		-Information and Broadcasting	42.81	751.08	793.89	
2,626.48		-Non-Plan grants	1,800.20		1,082.92		-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	467.43	739.64	1,207.07	
3,377.69		-Grants for State Plan Schemes	2,253.25		202.81		-Labour and labour Welfare	148.67	72.54	221.21	
					5,436.93		-Social Welfare and Nutrition	482.74	4,160.87	4,643.61	
1,130.84		-Grants for Central and Centrally sponsored Plan Schemes	1,460.77		57.77		-Others	54.40	0.30	54.70	
					9,661.33		**Economic Services-**	**9,348.56**	**2,773.32**	**12,121.88**	
					2,478.10		-Agriculture and Allied Activities	1,600.01	1,586.31	3,186.32	
					729.97		-Rural Development	335.08	825.59	1,160.67	
					13.97		-Special Areas Programmes	0.88	12.68	13.56	
					721.37		-Irrigation and Flood control	753.75	31.84	785.59	
					1,294.10		-Energy	1,313.53	1.73	1,315.26	
					531.99		-Industry and Minerals	224.20	232.43	456.63	
					915.24		-Transport	949.69	18.68	968.37	
					12.60		-Science, Technology and Environment	0.67	7.99	8.66	
					2,963.99		-General Economic Services	4,170.75	56.07	4,226.82	
					3,979.75		**Grants-in-aid and Contributions-**	**3,711.02**	**288.39**	**3,999.41**	
					53,590.26		Total	46,602.08	12,773.27	59,375.35	
	II	Revenue deficit carried over to Section B		**3,531.22**	**1,452.25**	II	Revenue Surplus carried over to Section B	--	--	--	--
		Total		59,375.35	55,042.51		**Total**				**59,375.35**
		Section-B : Others									
12,172.56	III	Opening Cash balance including Permanent Advances and Cash Balance Investment		**16,229.31**		III	Opening Overdraft from Reserve Bank of India	--	--	--	..
	IV	Miscellaneous Capital receipts		..	**9,104.30**	IV	Capital Outlay-				**8,572.59**
					230.66		**General Services-**	**115.15**	**414.64**	**529.79**	
					1,433.96		**Social Services-**	**2.40**	**2,148.26**	**2,150.66**	
					99.77		-Education, Sports, Art and Culture	(-) 0.03	361.61	361.58	
					193.21		-Health and Family Welfare	--	454.31	454.31	
					981.59		-Water Supply, Sanitation, Housing and Urban Development	--	1,210.46	1,210.46	
					27.30		-Information and Broadcasting	0.49	--	0.49	

contd..

		Receipts					Disbursements				
					101.45		-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	--	110.99	110.99	
					24.59		-Social Welfare and Nutrition	--	2.95	2.95	
					6.06		-Others	1.94	7.94	9.88	
					7,439.68		**Economic Services-**	**30.23**	**5,861.91**	**5,892.14**	
					1,484.17		-Agriculture and Allied Activities	(-) 4.52	943.16	938.64	
					1,310.78		-Rural Development	(-) 0.09	1,233.03	1,232.94	
					39.85		-Special Areas Programmes	--	41.22	41.22	
					552.74		-Irrigation and Flood Control	--	748.03	748.03	
					1,170.50		-Energy	35.00	100.00	135.00	
					1.46		-Industry and Minerals	(-) 0.12	6.12	6.00	
					2,866.93		-Transport	(-) 0.04	2,777.09	2,777.05	
					13.25		-General Economic Services	0.01	13.24	13.25	
					9,104.30		**Total**	**147.78**	**8,424.81**	**8,572.59**	
1,934.23	V	Recoveries of Loans and Advances-		**2,587.11**	**2,829.94**	V	Loans and Advances disbursed-				**2,290.56**
22.35		-From Power Projects	196.52	..			-For Power Projects			0.11	
82.14		-From Government Servants	85.16	..	68.67		-To Government Servants			108.11	
1,829.74		-From Others	2,305.43	..	2,761.26		-To Others			2,182.34	
1,452.25	VI	Revenue Surplus brought down	--	--		VI	Revenue Deficit brought down				**3,531.22**
11,841.18	VII	Public debt receipts-		**15,556.84**	**2,215.75**	VII	Repayment of Public debt-				**2,511.81**
		-External debt	..	--			-External debt			--	
10,797.98		-Internal debt other than Ways and Means Advances and overdrafts	14,526.99		1,896.53		-Internal debt other than Ways and Means Advances and Overdrafts			2,179.82	
		- Net transactions under Ways and Means Advances	..	..	--		- Net transactions under Ways and Means Advances	--	--	--	--
		- Net transactions under overdraft	..	..	319.22		-Repayment of Loans and Advances to Central Government			331.99	
1,043.20		-Loans and Advances from Central Government	1,029.85	..							
	VIII	Appropriation to Contingency Fund	..	..	--	VIII	Appropriation to Contingency Fund	--	--	--	--
	IX	Amount transferred to Contingency Fund	..	0.51	0.51	IX	Expenditure from Contingency Fund	--	--	--	--
81,409.20	X	Public Account receipts-	..	**87,275.13**	**78,429.61**	X	Public Account disbursements-				**85,256.27**
3,713.36		-Small Savings and Provident Funds	4,259.10	..	3,135.65		-Small Savings and Provident Funds			3,279.41	
1,560.25		-Reserve Funds	1,363.38	..	1,007.25		-Reserve Funds			545.96	
55,987.76		-Suspense and Miscellaneous	58,494.68	..	55,793.23		-Suspense and Miscellaneous			5,9041.73	
2,637.03		-Remittance	3,711.14		2,558.97		-Remittances			3,654.49	
17,510.80		-Deposits and Advances	19,446.83	..	15,934.51		-Deposits and Advances			18,734.68	
	XI	Closing Overdraft from Reserve Bank of India	..	..	**16,229.31**	XI	Cash Balance at end-				**19,486.45**
					16.81		-Cash in Treasuries and Local Remittances			16.80	
					(-) 136.89		-Deposits with Reserve Bank			(-) 422.21	
					8.80		-Departmental Cash Balance including permanent Advances			9.04	
					16,340.59		Cash Balance Investment and earmarked funds			19,882.82	
1,08,809.42		**Total**		**1,81,024.25**	**1,08,809.42**		**Total**				**1,81,024.25**

Appendix 1.5 (concld.)

Part B: Summarised financial position of the Government of Tamil Nadu as on 31 March 2010

(₹ in crore)

As on 31.03.2009		Liabilities	As on 31.03.2010	
59,150.38		**Internal Debt -**		**71,497.55**
	29,294.23	Market Loans bearing interest	41,018.60	
	1.22	Market Loans not bearing interest	1.25	
	1,127.95	Loans from Life Insurance Corporation of India	1,052.92	
	28,726.98	Loans from other Institutions	29,424.78	
	..	Ways and Means Advances	--	
	..	Overdrafts from Reserve Bank of India	--	
7,658.81		**Loans and Advances from Central Government -**		**8,356.68**
	5.62	Pre 1984-85 Loans	5.62	
	98.14	Non-Plan Loans	93.30	
	7,429.94	Loans for State Plan Schemes	8,141.52	
	23.39	Loans for Central Plan Schemes	22.16	
	101.72	Loans for Centrally Sponsored Plan Schemes	94.08	
149.49		**Contingency Fund**		**150.00**
8,048.60		**Small Savings, Provident Funds, etc.**		**9,028.29**
7,325.66		**Deposits**		**8,037.64**
3,893.36		**Reserve Funds**		**4,710.76**
408.35		**Remittance Balances**		**465.00**
86,634.65				1,02,245.92
		Assets		
48,897.72		**Gross Capital Outlay on Fixed Assets -**		**57,472.83**
	6,471.22	Investments in shares of Companies, Corporations, etc.	8,107.24	
	42,426.50	Other Capital Outlay	49,365.59	
7,813.84		**Loans and Advances -**		**7,517.29**
	384.96	Loans for Power Projects	188.56	
	7,048.16	Other Development Loans	6,925.25	
	380.72	Loans to Government servants and Miscellaneous loans	403.48	
2,415.00		**Reserve Fund Investments**		**2,450.87**
7.09		**Advances**		**6.93**
(-) 3,058.17		**Suspense and Miscellaneous Balances**		**(-) 2,486.58**
13,814.33		**Cash -**		**17,035.58**
	16.81	Cash in Treasuries and Local Remittances	16.80	
	(-) 136.89	Deposits with Reserve Bank	(-) 422.21	
	8.80	Departmental Cash Balance including Permanent Advances	9.04	
	13,925.61	Cash Balance Investments	17,431.95	
16,744.84		**Deficit on Government Account -**	--	20,249.00
	(-) 1452.25	(i) Revenue Deficit of the current year	3,531.22	
	(-) 17.42	(ii) Miscellaneous Deficit	(-) 24.52	
	18214.51@	Accumulated deficit at the beginning of the year	16,742.30@	
86,634.65				1,02,245.92

@ Differs from the figures shown in the previous years' account due to proforma corrections.

Explanatory Notes for Appendices 1.4 and 1.5:

The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts. Government accounts being mainly on cash basis, the deficit on Government account, as shown in Appendix 1.5, indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures, etc., do not figure in the accounts.

Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlements, etc.

There was a difference of ₹ 33.85 crore (net debit) between the figures reflected in the Accounts : ₹ 422.21 crore (net credit) and that intimated by the Reserve Bank of India : ₹ 456.06 crore (net debit). Difference to the extent of ₹ 14.45 crore (net debit) comprising a Debit of ₹ 29.42 crore and a Credit of ₹ 14.97 crore stands cleared at the end of July 2010 leaving a balances of Net Debit of ₹ 19.40 crore (Debit ₹ 44.96 crore and Credit ₹ 25.56 crore).

Appendix 2.1

(Reference: Paragraph 2.3.1; Page 34)

Statement showing cases where savings exceeded ₹ 10 crore each and also by 20 per cent or more of the total provision

(₹ in crore)

Sl. No.	Grant/ Appro-priation Number	Name of Grant /Appropriation	Provi-sion	Actual expen-diture	Saving	Percentage of Saving over Provision
		Voted Grants				
		A - Revenue				
1.	08	Dairy Development (Animal Husbandry, Dairying and Fisheries Department)	43.03	28.57	14.45	33.59
2.	10	Commercial Taxes (Commercial Taxes and Registration Department)	264.28	206.7	57.58	21.79
3.	20	Higher Education Department	1692.6	1300.64	391.96	23.16
4.	23	Fire and Rescue Services (Home, Prohibition and Excise Department)	178.55	134.6	43.95	24.61
5.	27	Industries Department	696.96	38.77	658.18	94.44
6.	44	Small Industries Department	99.58	72.53	27.05	27.17
		B – Capital				
7.	07	Fisheries (Animal Husbandry, Dairying and Fisheries Department)	32.79	2.46	30.33	92.50
8.	09	Backward Classes, Most Backward Classes and Minorities Welfare Department	37.28	17.97	19.31	51.79
9.	12	Cooperation (Cooperation, Food and Consumer Protection Department)	957.89	750.38	207.51	21.66
10.	19	Health and Family Welfare Department	205.96	154.57	51.39	24.95
11.	26	Housing and Urban Development Department	874.12	319.16	554.97	63.49
12.	34	Municipal Administration and Water Supply Department	1193.2	884.16	309.04	25.90
13.	40	Irrigation (Public Works Department)	960.14	722.31	237.83	24.77
14.	41	Revenue Department	269.98	10.01	259.97	96.29
15.	48	Transport Department	125.16	85.26	39.9	31.88
		C – Loan				
16.	08	Dairy Development (Animal Husbandry, Dairying and Fisheries Department)	11.31	0	11.31	100.00
17.	27	Industries Department	240.65	93.98	146.67	60.95
18.	34	Municipal Administration and Water Supply Department	273.94	173.93	100.01	36.51
		Charged				
		C – Loan				
19.	54	Public Debt Repayment	4013.33	2511.81	1501.52	37.41

Appendix 2.2

(Reference: Paragraph 2.3.5; Page 38)

Excess over provisions relating to previous years requiring regularization

(₹ in crore)

Year	Number of grants/ appropriations	Grant/ appropriation numbers	Amount of excess	Stage of consideration by Public Accounts Committee (PAC)
1999-2000	9 Grants 1 Appropriation	2,17,26,33,35,38,41,45 and 46 29	232.85	Explanatory notes are awaited. Not yet discussed by PAC
2000-2001	6 Grants 7 Appropriations	6, 21, 29, 35, 47 and 61 Debt Charges, 29, 35, 41, 42, 54 and Public Debt-Repayment	2,239.47	Explanatory notes are awaited. Not yet discussed by PAC
2001-2002	3 Grants 4 Appropriations	32, 35 and 41 16, 42, 54 and Public Debt- Repayment	379.38	Explanatory notes are awaited. Not yet discussed by PAC.
2002-2003	12 Grants 4 Appropriations	**Revenue** – 1, 14, 16, 20, 35, 38, 48 and 49 **Capital** – 6 and 26 **Loans** – 5, 20 and 40 **Revenue** – 1 and 21 **Capital** – 20 **Loans** – Public Debt – Repayment	2,436.71	Explanatory notes are awaited. Not yet discussed by PAC.
2003-04	7 Grants 5 Appropriations	**Revenue** – 33, 40 **Capital** – 5, 27, 28, 43, 47 **Revenue** – 1, 14, 38, 48, Debt Charges	154.61	Explanatory notes are awaited. Not yet discussed by PAC.
2004-05	7 Grants 5 Appropriations	**Revenue** – 14, 33 and 36 **Capital** – 19 and 22 **Loans** – 20 and 21 **Revenue** – 1,14,37,40 and 48	2.82	Explanatory notes are awaited. Not yet discussed by PAC.
2005-06	6 Grants 4 Appropriations	**Revenue** – 8 and 38 **Capital** – 3 and 46 **Loans** – 12 and 21 **Revenue** – 22,23,37 and 48	9.00	Explanatory notes are awaited. Not yet discussed by PAC.
2006-07	6 Grants 2 Appropriations	**Revenue** –40 **Capital** – 5, 28, 44 and 47 **Loans** – 49 **Revenue** – 2 and 38	95.61	Explanatory notes are awaited. Not yet discussed by PAC.
2007-08	6 Grants	**Revenue** –18, 40, 42, 51 **Capital** – 35 and 48	113.04	Explanatory notes are awaited. Not yet discussed by PAC.
2008-09	4 Grants 2 Appropriations	**Revenue** –40 **Capital** –48 **Loans** – 12 and 26 **Revenue** –3 **Capital** –21	153.65	Explanatory notes are awaited. Not yet discussed by PAC
		Total	**5,947.25**	

Appendix 2.3

(Reference: Paragraph 2.3.7; Page 39)

Cases where supplementary provision (₹ 50 lakh or more in each case) proved unnecessary

(In thousands of ₹)

Sl. No.	Grant Number	Original Provision	Actual expenditure	Savings out of Original provision	Supplementary provision
	A Revenue (Charged)				
1.	15	1	0	1	5662
Total for Charged		**1**	**0**	**1**	**5662**
	A Revenue (Voted)				
2.	01	288452	279993	8459	23783
3.	02	242025	203164	38861	5432
4.	04	7806813	7728592	78221	387881
5.	08	343100	285744	57356	87161
6.	09	4060949	3980996	79953	293781
7.	10	2619060	2066996	552064	23774
8.	11	1708216	1621017	87199	166906
9.	14	13233536	13224440	9096	120906
10.	15	2421640	2295358	126282	16093
11.	16	4776744	4098678	678066	10887
12.	20	14295455	13006387	1289068	2630575
13.	21	12959841	11555250	1404591	148344
14.	22	27063467	24536673	2526794	107333
15.	23	1630315	1346033	284282	155186
16.	25	933129	782592	150537	13725
17.	27	2562633	387736	2174897	4406926
18.	32	4421830	4074657	347173	37696
19.	34	27672226	27293125	379101	1249876
20.	39	1503977	1387041	116936	7449
21.	41	21461682	20585406	876276	130320
22.	42	45049249	42852333	2196916	1370705
23.	44	978289	725252	253037	17507
24.	49	542524	542041	483	24279
Total for Voted		**198575152**	**184859504**	**13715648**	**11436525**
Total - Revenue		**198575153**	**184859504**	**13715649**	**11442187**

contd..

Sl. No.	Grant Number	Original Provision	Actual expenditure	Savings out of Original provision	Supplementary provision
	B Capital (Voted)				
25.	04	916771	881447	35324	28713
26.	07	322786	24585	298201	5126
27.	09	286594	179740	106854	86243
28.	34	11920022	8841605	3078417	12003
29.	38	50000	27300	22700	27301
30.	40	9571278	7223133	2348145	30148
Total for Voted		**23067451**	**17177810**	**5889641**	**189534**
Total - Capital		**23067451**	**17177810**	**5889641**	**189534**
	C – Loans (Voted)				
31	27	2000003	939790	1060213	406532
32	34	2657409	1739332	918077	82000
Total – Loans		**4657412**	**2679122**	**1978290**	**488532**
Grand Total		**226300016**	**204716436**	**215,83,580**	**12120253**

Appendix 2.4

(Reference: Paragraph 2.3.7; Page 39)

Cases where supplementary provision (₹ one crore or more in each case) proved insufficient

(₹ in crore)

Sl. No.	Grant Number	Original Provision	Supplementary Provision	Total Provision	Actual Expenditure	Excess
	A Revenue (Voted)					
1	40	820.00	117.00	937.00	947.00	10.00
2	43	8885.00	200.00	9085.00	9116.00	31.00
	B Capital (Voted)					
3	14	100.00	28.00	128.00	135.00	7.00
4	44	0	1.00	1.00	6.00	5.00
Total		**9805.00**	**346.00**	**10151.00**	**10204.00**	**53.00**

Appendix 2.5

(Reference: Paragraph 2.3.8; Page 39)

Excess/Unnecessary/Insufficient re-appropriation of funds

(₹ in lakh)

Sl. No.	Grant No.	Description	Head of Account	Re-appro-priation	Final Excess(+)/ Saving (-)
1.	04	Adi Dravidar and Tribal Welfare Department	2225.01.277.AA	-1211.53	-1041.00
2.			2225.01.277.AE	-417.38	-1110.70
3.			2225.01.283.JA	-125.28	386.38
4.	05	Agriculture Department	2401.00.109.AK	-1481.26	359.79
5.			2401.00.119.BA	34.21	356.02
6.			2401.00.119.BC	-1556.47	-352.94
7.			2401.00.119.LA	-949.08	-228.14
8.			2401.00.789.JA	147.31	3978.47
9.			2401.00.789.JO	-124.44	2613.57
10.			2435.01.101.AC	-773.79	204.94
11.	07	Fisheries (Animal Husbandry, Dairying and Fisheries Department)	2405.00.101.QA	27.63	461.79
12.	09	Backward Classes, Most Backward Classes and Minorities Welfare Department	4225.03.277.JY	-561.34	-256.63
13.			4225.03.277.JZ	-865.38	-242.09
14.	12	Cooperation (Cooperation, Food and Consumer Protection Department)	2425.00.001.AC	-480.91	-235.38
15.	13	Food and Consumer Protection (Cooperation, Food and Consumer Protection Department)	3456.00.800.AF	-316.17	302.93
16.	16	Finance Department	7610.00.800.AB	-80.00	527.30
17.	17	Handlooms and Textiles (Handlooms, Handicrafts, Textiles and Khadi Department)	2851.00.103.AY	-580.00	-540.00
18.			2851.00.103.UV	-284.99	-224.71
19.			2851.00.103.UW	-203.42	-338.39
20.	19	Health and Family Welfare Department	2210.01.110.AA	-1422.08	532.23
21.			2210.01.110.AB	-898.10	342.53
22.			2210.01.110.AK	628.69	-988.09
23.			2210.01.110.AL	80.32	-549.35
24.			2210.01.110.AM	13.54	-408.28
25.			2210.01.110.AO	-116.12	-275.60
26.			2210.01.110.AW	-5827.15	989.00
27.			2210.01.110.AX	778.58	-811.33

Sl. No.	Grant No.	Description	Head of Account	Re-appro-priation	Final Excess(+)/ Saving (-)
28.	19	Health and Family Welfare Department	2210.01.110.AY	388.17	-1042.70
29.			2210.01.110.DK	-246.50	264.60
30.			2210.01.110.DM	-170.42	211.95
31.			2210.01.110.DN	-396.79	363.54
32.			2210.04.104.AA	11.96	248.72
33.			2210.05.001.AA	813.09	-936.64
34.			2210.05.105.AA	319.45	-355.51
35.			2210.05.105.AL	-702.41	1235.41
36.			2210.05.105.BI	-517.07	-280.26
37.			2210.05.105.BP	-100.35	-217.10
38.			2210.05.105.JA	-141.26	205.17
39.			2211.00.101.SC	-1033.87	638.38
40.			2235.60.200.KG	7126.76	1627.05
41.			2235.60.789.JC	1646.99	395.54
42.	20	Higher Education Department	2202.03.103.AA	-2073.55	-875.37
43.			2202.03.103.AB	-911.25	-567.62
44.			2202.03.104.AA	-30232.14	2321.36
45.			2202.03.104.AB	-2167.05	326.48
46.	21	Highways Department	3054.04.337.AB	1642.64	-1426.76
47.			5054.04.337.JQ	-1792.07	-741.73
48.			5054.80.800.JJ	1625.69	-398.50
49.			5054.80.800.JT	-24460.54	-1942.14
50.			5054.80.800.PB	-31453.50	-407.99
51.	22	Police (Home, Prohibition and Excise Department)	2055.00.001.AA	-282.43	285.27
52.			2055.00.108.AC	-882.65	380.82
53.			2055.00.109.AA	-12463.42	2256.73
54.			2055.00.109.AL	-3083.61	2130.96
55.			2055.00.109.AQ	-3884.62	-453.08
56.			2055.00.114.AA	317.51	-2175.07
57.			2055.00.115.AA	-2418.02	1362.66
58.			2055.00.800.AL	12.58	356.80
59.			2235.02.105.AB	-668.03	-394.78

Sl. No.	Grant No.	Description	Head of Account	Re-appro-priation	Final Excess(+)/ Saving (-)
60.	25	Motor Vehicles Acts - Administration (Home, Prohibition and Excise Department)	2041.00.800.AG	-43.58	-201.14
61.	27	Industries Department	2852.80.800.JJ	-500.00	-1000.00
62.			3054.80.797.JC	-1075.00	474.87
63.			5054.05.337.JB	0.03	-640.21
64.	32	Labour and Employment Department	2230.03.101.AA	-1772.55	300.69
65.			4250.00.203.UJ	-905.33	291.38
66.	34	Municipal Administration and Water Supply Department	4215.01.800.PB	-10000.00	396.05
67.	38	Public Department	2235.01.105.AC	-324.76	-1300.12
68.	39	Buildings (Public Works Department)	2059.80.001.AA	391.60	-460.37
69.			2059.80.001.BF	-487.58	838.71
70.			2059.80.001.BH	-167.95	-895.65
71.			4059.01.051.JY	1820.86	-829.93
72.			4210.01.110.JA	-6188.00	-1077.76
73.	40	Irrigation (Public Works Department)	2701.80.800.AA	5509.37	-41202.87
74.			2701.80.800.AB	9.96	-245.77
75.			4701.03.345.JA	-119.79	528.67
76.			4701.03.352.PA	1144.11	292.69
77.			4701.03.381.JA	-5000.00	207.90
78.			4701.80.800.JJ	468.53	-1636.73
79.			4702.00.800.JW	418.88	-280.29
80.			4711.01.800.JD	-54.47	445.56
81.	41	Revenue Department	2053.00.094.AB	-675.18	534.37
82.			2053.00.094.AC	-9032.25	1702.83
83.			2053.00.094.DX	-534.08	405.17
84.			2235.60.102.JA	-4434.01	493.86
85.			2235.60.789.JE	-4179.88	528.02
86.			2235.60.789.JH	-61.98	466.55
87.			2235.60.789.JT	646.51	-509.87
88.	42	Rural Development and Panchayat Raj Department	2215.02.105.JL	249.89	-1124.23
89.			2515.00.001.AA	-113.93	1169.93
90.			2515.00.001.AE	-339.61	-307.63
91.			2515.00.102.AE	2987.48	-17974.50

Sl. No.	Grant No.	Description	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
92.	42	Rural Development and Panchayat Raj Department	3604.00.102.AB	2688.49	-6375.90
93.			3604.00.196.AA	-1168.51	12242.51
94.			3604.00.197.AA	-4674.06	-3678.07
95.			3604.00.198.AA	-8033.55	-8564.44
96.			4515.00.103.JC	-0.01	4001.97
97.			4515.00.789.JD	-0.01	-7000.00
98.	43	School Education Department	2202.01.101.AA	-1381.05	360.88
99.			2202.01.101.AC	-30307.61	23723.16
100.			2202.01.101.AD	16855.56	-7868.86
101.			2202.01.102.AD	-5001.34	10832.01
102.			2202.01.104.AA	-1001.57	610.07
103.			2202.02.105.SA	-621.52	-493.45
104.			2202.02.109.AA	19267.55	1264.14
105.			2202.02.109.AZ	966.10	-763.36
106.			2202.02.109.KE	-11131.34	829.40
107.			2202.02.789.JE	-4521.14	312.73
108.			2225.01.789.JA	-245.44	321.06
109.			2225.01.789.JD	-23.02	-360.78
110.			4202.01.202.JG	-5194.87	-403.40
111.			4202.01.789.JA	4888.94	-248.91
112.	45	Social Welfare and Nutritious Meal Programme Department	2235.02.102.JX	-0.04	-240.25
113.			2235.02.789.JF	3425.99	-276.71
114.			2235.02.789.JN	-0.06	252.04
115.			2236.02.101.JN	-5520.86	954.00
116.			2236.02.102.KL	-2394.93	1525.44
117.			2236.02.102.KN	-439.89	374.00
118.			2236.02.102.KP	-377.29	200.65
119.	50	Pension and Other Retirement Benefits	2071.01.101.AA	33514.08	2226.32
120.			2071.01.101.AH	78.20	-1305.96
121.			2071.01.101.AM	11449.99	-859.30
122.			2071.01.105.AA	-9222.60	555.21
123.			2071.01.105.AB	391.54	-398.35

Sl. No.	Grant No.	Description	Head of Account	Re-appro-priation	Final Excess(+)/ Saving (-)
124.	50	Pensions and Other Retirement Benefits	2071.01.105.AD	42.85	-253.86
125.			2071.01.109.AB	-2228.89	337.65
126.			2071.01.109.AD	-1821.56	435.84
127.	53	Debt Charges	2049.03.104.AA	-1400.00	-3020.35
128.			2049.03.109.AK	34.38	-250.86
129.			2049.03.111.AB	-246.46	-2431.89
130.			2049.60.101.EB	0.79	402.52

Appendix 2.6

(Reference: Paragraph 2.3.11; Page 39)

Surrenders (₹ 50 lakh or more) in excess of actual savings

(₹ in crore)

Sl. No.	Grant Number	Name of the grant	Total grant	Saving	Amount surrendered	Amount surrendered in excess
		Revenue – Voted				
1.	02	Governor and Council of Ministers	24.75	4.43	4.67	-0.24
2.	03	Administration of Justice	331.14	17.87	18.01	-0.14
3.	05	Agriculture Department	1990.83	138.05	143.39	-5.34
4.	07	Fisheries (Animal Husbandry, Dairying and Fisheries Department)	192.35	37.53	42.40	-4.87
5.	10	Commercial Taxes (Commercial Taxes and Registration Department)	264.28	57.58	60.51	-2.93
6.	13	Food and Consumer Protection (Cooperation, Food and Consumer Protection Department)	4316.74	91.92	97.62	-5.7
7.	18	Khadi, Village Industries and Handicrafts (Handlooms, Handicrafts, Textiles and Khadi Department)	110.82	0.62	0.77	-0.15
8.	19	Health and Family Welfare Department	3512.89	172.15	185.23	-13.08
9.	20	Higher Education Department	1692.60	391.96	398.92	-6.96
10.	22	Police (Home, Prohibition and Excise Department)	2717.08	263.41	298.85	-35.44
11.	23	Fire and Rescue Services (Home, Prohibition and Excise Department)	178.55	43.95	44.66	-0.71
12.	32	Labour and Employment Department	445.95	38.49	49.20	-10.71
13.	33	Law Department	15.08	2.79	3.16	-0.37
14.	35	Personnel and Administrative Reforms Department	44.84	4.51	5.27	-0.76
15.	36	Planning, Development and Special Initiatives Department	50.89	5.66	5.86	-0.2
16.	37	Prohibition and Excise (Home, Prohibition and Excise Department)	57.68	4.51	5.05	-0.54
17.	41	Revenue Department	2159.20	100.66	198.55	-97.89
18.	45	Social Welfare and Nutritious Meal Programme Department	2167.63	64.61	92.41	-27.8
19.	50	Pensions and Other Retirement Benefits	9861.95	1423.97	1427.83	-3.86
20.	51	Relief on account of Natural Calamities	342.20	55.21	56.67	-1.46
		Capital – Voted				
21.	07	Fisheries (Animal Husbandry, Dairying and Fisheries Department)	32.79	30.33	30.46	-0.13
22.	15	Environment and Forest Department	125.10	11.49	11.74	-0.25
23.	19	Health and Family Welfare Department	205.96	51.39	66.67	-15.28
24.	32	Labour and Employment Department	14.93	7.68	11.61	-3.93
25.	34	Municipal Administration and Water Supply Department	1193.20	309.04	313.00	-3.96
26.	39	Buildings (Public Works Department)	790.47	12.50	131.85	-119.35
27.	40	Irrigation (Public Works Department)	960.14	237.83	244.24	-6.41
28.	48	Transport Department	125.16	39.90	39.95	-0.05
		Total		**3620.04**	**3988.55**	**-368.51**

Appendix 2.7

(Reference Paragraph 2.3.12; Page 40)

Details of saving of ₹ One crore and above not surrendered

(₹ in crore)

Sl. No.	Grant No.	Name of Grant/Appropriation	Savings	Surrenders	Savings which remained to be surrendered
I Grant					
		A - Revenue			
1.	01	State Legislature	3.22	1.50	1.72
2.	04	Adi Dravidar and Tribal Welfare Department	46.61	29.32	17.29
3.	06	Animal Husbandry (Animal Husbandry, Dairying and Fisheries Department)	42.87	35.45	7.42
4.	08	Dairy Development (Animal Husbandry, Dairying and Fisheries Department)	14.45	14.29	0.16
5.	09	Backward Classes, Most Backward Classes and Minorities Welfare Department	37.37	36.97	0.40
6.	11	Stamps and Registration (Commercial Taxes and Registration Department)	25.41	24.21	1.20
7.	12	Cooperation (Cooperation, Food and Consumer Protection Department)	116.21	113.50	2.71
8.	14	Energy Department	13.00	12.94	0.06
9.	15	Environment and Forest Department	14.24	7.45	6.79
10.	16	Finance Department	68.90	64.42	4.48
11.	17	Handlooms and Textiles (Handlooms, Handicrafts, Textiles and Khadi Department)	27.99	7.80	20.19
12.	21	Highways Department	155.29	3.49	151.80
13.	24	Prisons (Home, Prohibition and Excise Department)	2.38	1.68	0.70
14.	25	Motor Vehicles Acts - Administration (Home, Prohibition and Excise Department)	16.43	15.19	1.24
15.	27	Industries Department	658.18	647.28	10.90
16.	28	Information and Publicity (Tamil Development, Religious Endowments and Information Department)	3.34	2.07	1.27
17.	29	Tourism - Art and Culture (Tourism and Culture Department)	2.19	0.38	1.81
18.	30	Stationery and Printing (Tamil Development, Religious Endowments and Information Department)	12.07	10.55	1.52
19.	34	Municipal Administration and Water Supply Department	162.90	162.42	0.48
20.	38	Public Department	27.83	18.23	9.60
21.	39	Buildings (Public Works Department)	12.44	6.15	6.29
22.	42	Rural Development and Panchayat Raj Department	356.76	111.80	244.96
23.	44	Small Industries Department	27.05	22.52	4.53
24.	46	Tamil Development (Tamil Development, Religious Endowments and Information Department)	2.76	1.97	0.79
25.	47	Hindu Religious and Charitable Endowments (Tamil Development, Religious Endowments and Information Department)	2.60	2.53	0.07
26.	48	Transport Department	5.44	4.25	1.19
27.	49	Youth Welfare and Sports Development Department	2.48	1.63	0.85

Sl. No.	Grant No.	Name of Grant/Appropriation	Savings	Surrenders	Savings which remained to be surrendered
		B - Capital			
28.	04	Adi Dravidar and Tribal Welfare Department	6.40	6.30	0.10
29.	06	Animal Husbandry (Animal Husbandry, Dairying and Fisheries Department)	1.20	0.94	0.26
30.	09	Backward Classes, Most Backward Classes and Minorities Welfare Department	19.31	14.33	4.98
31.	21	Highways Department	427.03	355.05	71.98
32.	26	Housing and Urban Development Department	554.97	554.96	0.01
33.	36	Planning, Development and Special Initiatives Department	3.98	2.60	1.38
34.	41	Revenue Department	259.97	259.97	0
35.	43	School Education Department	13.59	6.48	7.11
		C - Loans			
36.	26	Housing and Urban Development Department	50.79	49.09	1.70
37.	27	Industries Department	146.67	146.67	0
38.	34	Municipal Administration and Water Supply Department	100.01	100.01	0
		Total	**3444.33**	**2856.39**	**587.94**
II Appropriations					
		A – Revenue			
39.	03	Administration of Justice	11.67	10.71	0.96
40.	04	Adi Dravidar and Tribal Welfare Department	4.00	2.10	1.90
41.	53	Debt Charges	77.87	19.57	58.30
		B - Capital			
42.	40	Irrigation (Public Works Department)	5.57	5.43	0.14
		C - Loans			
43.	54	Public Debt-Repayment	1501.52	1497.10	4.42
		Total	**1600.63**	**1534.91**	**65.72**
		Grand Total	**5044.96**	**4391.30**	**653.66**

Appendix 2.8

(Reference Paragraph 2.3.12 ; Page 40)

Cases of surrender of funds in excess of ₹ 10 crore on 30 and 31 March 2010

(₹ in crore)

Sl. No.	Grant No.	Major Head	Description	Amount of surrender	Percentage of total provision
1.	03	2014	Administration of Justice	10.71	11.98
2.	03	2014	Administration of Justice	17.87	5.71
3.	04	2225	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	28.47	3.52
4.	05	2401	Crop Husbandry	101.02	6.38
5.	06	2403	Animal Husbandry	35.15	12.65
6.	07	2225	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	10.95	134.28
7.	07	2405	Fisheries	20.67	12.25
8.	07	2216	Housing	10.48	102.17
9.	08	2404	Dairy Development	14.29	33.22
10.	09	2225	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	36.41	8.49
11.	19	2210	Medical and Public Health	56.52	2.11
12.	20	2202	General Education	392.70	28.66
13.	22	2055	Police	25.69	0.98
14.	26	7610	Loans to Government Servants etc.	49.09	40.91
15.	32	4250	Capital Outlay on other Social Services	11.61	77.76
16.	34	4215	Capital Outlay on Water Supply and Sanitation	150.00	14.90
17.	38	2015	Elections	13.89	11.51
18.	39	4059	Capital Outlay on Public Works	35.59	8.54
19.	40	4711	Capital Outlay on Flood Control projects	20.66	11.90
20.	41	2235	Social Security and Welfare	41.01	3.44
21.	41	2029	Land Revenue	15.70	8.78
22.	41	2053	District Administration	138.26	19.58
23.	42	2515	Other Rural Development programmes	20.27	2.82
24.	45	2236	Nutrition	15.25	0.88
25.	48	5055	Capital Outlay on Road Transport	39.95	31.96
26.	50	2071	Pensions and other Retirement Benefits	887.00	9.01
27.	51	2245	Relief on account of Natural Calamities	15.69	4.59
			Total	**2214.90**	

Appendix 2.9

(Reference: Paragraph 2.3.13; Page 40)

Rush of Expenditure

(In ₹)

Sl. No.	Grant No.	Head of Account				Expenditure incurred during January to March 2010	Expenditure incurred in March 2010	Total expenditure	Percentage of total expenditure incurred during	
									January to March 2010	March 2010
1.	04	4225	01	277	JA	125129939	125061230.00	125129939	100.00	99.95
2.	05	2401	00	102	SB	175076209	146965983.00	202374578	86.51	71.66
3.	05	2401	00	110	JE	191548460	191548460.00	191548460	100.00	100.00
4.	05	2401	00	119	BC	109058800	109058800.00	109058800	100.00	100.00
5.	05	2401	00	789	JK	110116622	103102172.00	126188528	87.26	77.82
6.	05	2401	00	789	JQ	142200000	142200000.00	142200000	100.00	100.00
7.	05	2401	00	800	KF	530594644	446584702.00	616244200	86.10	71.27
8.	05	2402	00	102	JZ	331878287	254176308.00	419741220	79.07	59.82
9.	05	4402	00	102	JO	225837086	156382541.00	249569927	90.49	61.82
10.	07	2405	00	800	KH	637000000	637000000.00	637000000	100.00	100.00
11.	11	2030	03	001	AD	171482468	171481468.00	198706518	86.30	86.30
12.	12	2425	00	108	AH	935038764	935038764.00	935038764	100.00	100.00
13.	12	2425	00	108	KD	332998884	332998884.00	332998884	100.00	100.00
14.	14	4801	80	190	AB	280000000	280000000.00	280000000	100.00	100.00
15.	16	2235	60	110	BU	291944600	291946560.00	357599600	81.64	81.64
16.	16	2235	60	200	BE	203918697	203099303.00	203710000	100.10	100.01
17.	19	2059	01	053	BW	163414458	152018838.00	195473593	83.60	77.69
18.	19	2059	01	053	CB	161758192	126156922.00	161497232	100.16	78.36
19.	19	2211	00	103	JN	652454000	535641000.00	959225000	68.02	55.84
20.	20	2203	00	102	AA	142461250	142463500.00	200761000	70.96	70.96
21.	21	5054	03	337	JJ	877000000	877000000.00	1500000000	58.47	58.47
22.	21	5054	04	337	JK	487128229	419464472.00	501343351	97.16	83.66
23.	21	5054	80	800	JJ	439388272	389256888.00	547817871	80.21	71.06
24.	21	5054	80	800	JT	1012529946	780887900.00	1359733163	74.47	57.43
25.	21	5054	80	800	KE	200008138	188554423.00	200008138	100.00	94.27
26.	22	2055	00	115	AA	250633674	213556438.00	382805804	65.47	55.77
27.	22	4055	00	207	UA	214914800	160614000.00	259914800	82.69	61.79
28.	22	4055	00	211	AK	697281000	695594944.00	952705000	73.19	73.19
29.	22	4055	00	800	JB	141900000	141900000.00	141900000	100.00	100.00
30.	26	4217	60	190	JH	1600000000	1600000000.00	1600000000	100.00	100.00
31.	26	4217	60	190	JY	400000000	400000000.00	400000000	100.00	100.00
32.	26	4217	60	190	KB	203000000	203000000.00	203000000	100.00	100.00

Sl. No	Grant No	Head of Account				Expenditure incurred during January to March 2010	Expenditure incurred in March 2010	Total expenditure	Percentage of total expenditure incurred during	
									January to March 2010	March 2010
33.	27	5054	80	800	KD	227400000	227400000.00	227400000	100.00	100.00
34.	31	2852	07	800	JD	112962851	112962851.00	167600000	67.40	67.40
35.	34	2215	01	191	JX	1500000000	1500000000.00	1500000000	100.00	100.00
36.	34	2217	01	191	PD	112973859	112973859.00	112973859	100.00	100.00
37.	34	2217	04	192	JB	639280800	525743600.00	959830800	66.60	54.77
38.	34	2217	04	192	JC	1457297000	938552000.00	1750470000	83.25	53.62
39.	34	2217	04	789	JG	159890200	131435900.00	240103200	66.59	54.74
40.	34	2217	04	789	JH	512024000	329763000.00	615030000	83.25	53.62
41.	34	2217	05	800	JM	217727000	217727000.00	219077000	99.38	99.38
42.	34	3604	00	191	AB	125083000	125083000.00	125083000	100.00	100.00
43.	34	3604	00	192	AE	170947000	170947000.00	170947000	100.00	100.00
44.	34	3604	00	192	AF	113965000	113965000.00	113965000	100.00	100.00
45.	34	3604	00	193	AC	120914000	120914000.00	120914000	100.00	100.00
46.	40	2702	03	101	AH	178749834	146080486.00	249370669	71.68	58.52
47.	41	2059	01	053	AJ	222890660	189221130.00	274638196	81.16	68.92
48.	41	2235	60	200	KL	334923620	334930820.00	402492820	83.21	83.21
49.	41	3604	00	103	AB	641199169	641199169.00	642002435	99.87	99.87
50.	42	2515	00	001	AA	128228651	117925351.00	179120278	71.59	65.84
51.	43	2202	01	800	JC	344998427	305926405.00	345201438	99.94	88.62
52.	43	2202	02	109	KE	429806000	429806000.00	429806000	100.00	100.00
53.	43	2202	02	789	JE	119146000	119146000.00	119158855	99.99	99.99
54.	45	2236	02	102	SA	147335935	147333260.00	170291393	86.52	86.52
55.	48	5055	00	190	KC	850500000	591500000.00	850500000	100.00	69.55
56.	49	2204	00	104	AN	117702023	111577023.00	183089467	64.29	60.94
57.	51	2245	02	106	AA	154851177	107688195.00	153769467	100.70	70.60

Appendix 2.10
(Reference: Paragraph 2.5; Page 42)

Statement showing cases where advances from Contingency Fund remained wholly unutilised (2009-10)

(In ₹)

Sl.No.	GO RT No. and date	Head of Account	Amount
1.	453 dt 02.06.09	4405.00800.JZ	28,75,000
2.	495 dt 15.06.09	2059.80.001.BG	15,00,000
3.	559 dt 09.06.09	4059.01.051.JY	50,00,000
4.	564 dt 06.07.09	2215.01.197.AA, 2235.02.103.LC, 2235.02.789. JD, 2515.00.001.AC&AD 2515.00.800.AF	1,72,02,000
5.	655 dt 04.08.09	2052.00.090.AO	10,18,000
6.	658 dt 04.08.09	2055.00.109.AA	14,99,000
7.	729 dt 26.08.09	2055.00.108.AC	20,00,000
8.	747 dt 08.09.09	2235.01.105.AC	50,00,000
9.	807 dt 29.09.09	2235.02.103.LO	87,50,000
10.	838 dt 07.10.09	2235.01.105.AC	66,50,000
11.	866 dt 16.10.09	2405.00.800.UA	1,00,00,000
12.	868 dt 19.10.09	2401.00.001.AH	16,82,000
13.	873 dt 20.10.09	2852.08.204.UA	4,94,91,000
14.	887 dt 27.10.09	2052.00.090.BY	42,60,000
15.	901 dt 30.10.09	2435.60.800.UA	15,00,00,000
16.	922 dt 06.11.09	2055.00.101.AU	1,17,60,000
17.	955 dt 16.11.09	4210.03.200.JA	10,00,000
18.	959 dt 16.11.09	2205.00.102.AH	37,80,000
19.	960 dt 17.11.09	2055.00.101.AB	1,35,91,000
20.	966 dt 20.11.09	3056.00.104.AA	15,00,000
21.	967 dt 20.11.09	2202.05.102.AF	21,50,000
22.	978 dt 25.11.09	2055.00.101.AU	72,00,000
23.	983 dt 26.11.09	222.03.102.AF	10,96,000
24.	985 dt 27.11.09	2851.00.200.JA	7,20,000
25.	1005 dt 02.12.09	4515.00.800.JM	1,00,00,000
26.	1006 dt 02.12.09	4515.00.800.JU	20,00,000
27.	1007 dt 02.12.09	2415.01.004.JU	95,00,000
28.	1030 dt 09.12.09	2202.02.102.AF	11,41,000
29.	1032 dt 09.12.09	2055.00.101.AU	31,20,000
30.	1033 dt 09.12.09	4202.01.203.JA	62,92,000
31.	1034 dt 09.12.09	2202.02.800.SI	36,38,76,000
32.	1042 dt 11.12.09	2040.00.001.AA	13,69,000
33.	1066 dt 18.12.09	2014.00.103,105,106,108,110,800, 2230.01.101.AC & AG	54,00,000
34.	1083 dt 23.12.09	2202.02.004.AC	77,90,000
35.	1089 dt 24.12.09	2070.00.108.AA & AB	20,66,000
36.	1090 dt 24.12.09	2070.00.108.AA	7,25,000
37.	1091 dt 24.12.09	2405.00.800.KD	1,00,00,000
38.	1092 dt 24.12.09	4216.01.106.JO	12,00,000
39.	1097 dt 29.12.09	4701.03.380.JV	5,00,000
40.	1100 dt 31.12.09	2070.00.108.AB	2,76,000
41.	1101 dt 31.12.09	2070.00.108.AA	2,95,000
42.	06 dt 04.01.10	2235.02.101.MM	20,00,000
43.	07 dt 04.01.10	4059.01.051.JJ	20,00,000
44.	78 dt 08.01.10	2055.00.003.AG	11,00,000
45.	99 dt 15.02.10	4217.60.051.JH	10,00,00,000
46.	118 dt 23.02.10	2054.00.095.JA	1,30,58,000
47.	187 dt 08.03.10	2235.02.101.JH	53,44,000
48.	190 dt 08.03.10	2055.00.101.AU	1,40,00,000
49.	206 dt 15.03.10	4210.01.110.JA	39,35,000
50.	207 dt 15.03.10	2405.00.103.JT	35,35,000
Total			**88,02,46,000**

(Source: Office of the Principal Accountant General (A&E), Tamil Nadu)

Appendix 2.11

(Reference: Paragraph 2.5; Page 42)

Statement showing cases where advances from Contingency Fund proved substantially in excess of requirement and where the amount utilised was 50 *per cent* and less (2009-10)

(In ₹)

Sl. No.	CFA No.	G.O.RT.No. and date	Head of account	Sanctioned amount	Amount utilised with percentage
1.	4	358 dt 05.05.09	2055.00.001.AA	14,40,000	4,00,000 (27.77%)
2.	6	420 dt 19.05.09	2851.00.102.SA	1,75,00,000	20,33,165 (11.62%)
3.	21	637 dt 24.07.09	2070.00.001.AC	20,00,000	1,74,694 (8.73%)
4.	37	855 dt 12.10.09	2055.00.101.AB	2,39,00,000	26,73,461 (11,19%)
5.	38	856 dt 12.10.09	2235.60.102.AF 2235.60.102AG	75,70,000 3,78,000	2,75,485 (3.64%) 41,000 (10.85%)
6.	47	560 dt 30.10.09	4059.01.051.JG	41,34,000	11,18,639 (27.06%)
7.	54	956 dt 16.11.09	2225.03.277.JA&KA 2225.80.101.JH	75,52,0000	4,56,528 (6.05%)
8.	3	112 dt 19.02.10	2202.01.104.AA	37,45,000	37,782 (1.01%)

(Source: Office of the Principal Accountant General (A&E), Tamil Nadu)

Appendix 3.1

(Reference: Paragraph 3.1; Page 45)

Utilisation certificates outstanding as on 30 September 2010

Sl. No.	Department	Utilisation certificate outstanding	
		Number	Amount (₹ in crore)
1.	Director of Adi Dravidar Welfare	186	14.82
2.	Director of Tribal Welfare	237	18.65
3.	Commissioner Of Rural Development And Panchayat Raj	14	178.15
4.	Chief Executive Officer, Khadi and Village Industries	2	0.39
5.	Director of Tourism	2	0.92
6.	Dy.Sr.Manager, Tamil Nadu Energy Development Agency	1	0.30
7.	District Rural Development Agency	162	64.56
8.	Relief on account of Natural Calamities	58	1043.98
9.	Commissioner of Agriculture	286	33.02
10.	Director of Agriculture	4	19.17
11.	Director of Animal Husbandry	3	0.01
12.	Commissioner of Industries and Commerce	3	0.74
13.	Secretary, IT Secretariat	2	0.67
14.	Secretary, Industries Department	3	0.51
15.	Commissioner of Revenue Administration	5	55.47
16.	Commissioner of Land Reforms	9	86.46
17.	Commissioner for Rehabilitation of the Disabled	28	40.37
18.	Director, Integrated Child Development Services	2	7.37
19.	Director, Rural Development and Panchayat Raj	12	158.38
20.	Director of Social Welfare	23	210.35
21.	Director of Public Health and Preventive Medicine	2	250.00
22.	Secretariat, Backward Classes and Most Backward Classes	1	0.01
23.	Director, Backward Classes and Minority Welfare	162	12.61
Total		**1207**	**2196.89**

Appendix 3.2

(Reference : paragraph 3.2; Page 46)

Statement showing names of bodies and authorities, the accounts of which had not been received

Sl.No.	Name of the body/authority	Year for which accounts have not been received
Universities		
1.	Anna University, Coimbatore	2007-2008 onwards
2.	Anna University, Trichy	2007-2008 onwards
3.	Annamalai University	2008-09 to 09-10
4.	Periyar University, Salem	2009-10
5.	Thiruvalluvar University	2009-10
6.	Tamil Nadu Ambedkar Law University , Chennai	2009-10
7.	Avinashilingam University	2009-10
8.	Tamil Virtual University	2009-10
9.	Dr MGR Medical University	2009-10
10.	Bharathiyar University, Coimbatore	2008-09 to 2009-10
Polytechnics		
11.	AMK Technological Polytechnic	2006-07 to 09-10
12.	P.T. Chengalvaraya Naicker Polytechnic	2007-08 to 09-10
13.	CIT Sandwich Polytechnic	2008-09 to 09-10
14.	ADJ Dharmambal Polytechnic	2007-08 to 09-10
15.	Erode Institute of Technology	2007-08 to 09-10
16.	Murugappa Polytechnic	2007-08 to 09-10
17.	Muthiah Polytechnic	2008-09 to 09-10
18.	Nachimuthu Polytechnic	2008-09 to 09-10
19.	NPA Centenary Polytechnic	2008-09 to 09-10
20.	Padmabushan Shri.Ramaswamy Iyer Memorial Polytechnic for girls	2008-09 to 09-10
21.	Pattukottai Polytechnic	2009-10
22.	PSG Polytechnic	2008-09 to 09-10
23.	Rajagopal Polytechnic	2007-08 to 09-10
24.	Ramakrishna Mission, Coimbatore	2009-10
25.	SSM Institute of textile Technological and Polytechnic	2005-06 to 09-10
26.	Thiyagarajar Polytechnic, Salem	2009-10
27.	Vallivalam Desikar Polytechnic, Nagapattinam	2007-08 to 09-10
28.	VLB Janaki Ammal Polytechnic	2008-09 to 09-10
29.	E.I.T. Polytechnic	2009-10
30.	Periyaar Centenary, Thanjavur	2008-09 to 09-10
31.	Arasan Ganeshan Polytechnic College, Sivakasi	2008-09 to 09-10
32.	G.R.G.Polytechnic, Coimbatore	2008-09 to 09-10

Sl. No.	Name of the body/authority	Year for which accounts have not been received
33.	Ayyanadar Janaki Ammal Polytechnic, Sivakasi	2007-08 to 09-10
34.	Sakti Polytechnic College, Saktinagar, Erode	2008-09 to 09-10
35.	Chettinadu Annamalai Polytechnic College	2009-10
36.	Appakudal Sakti Polytechnic, Bhavanisagar	2009-10
37.	VSVN Polytechnic College, Virudhunagar	2008-09 to 09-10
38.	Ramakrishna Polytechnic College, Chennai	2009-10
39.	Bhakatavatsalam Polytechnic College, Kancheepuram	2008-09 to 09-10
Colleges		
40.	Justice Basheer Syed Ahamed Women's College, Chennai	2006-07 to 09-10
41.	Loyala College, Chennai	2007-08 to 09-10
42.	Sri.Thagaraja College, Chennai	2006-07 to 09-10
43.	Ethiraj college for women, Chennai	2007-08 to 09-10
44.	Chellammal Women's College, Chennai	2009-10
45.	Gurunanak College, Chennai	2007-08 to 09-10
46.	St. Christophers College of Education, Chennai	2006-07 to 09-10
47.	C.Kandaswamy Naidu College for Men, Chennai	2006-07 to 09-10
48.	Stella Maris College, Chennai	2006-07 to 09-10
49.	Women's Christian College, Chennai	2006-07 to 09-10
50.	Madras Christian College, Tambaram	2007-08 to 09-10
51.	SIVET, Gowriwakkam, Chennai	2007-08 to 09-10
52.	Quaid –E-Milleth College for Men, Chennai	2006-07 to 09-10
53.	D.R.B.C.C.Hindu College, Chennai	2006-07 to 09-10
54.	SDNB Vaishnav for Women, Chrompet, Chennai	2008-09 to 09-10
55.	AM Jain, Meenambakkam, Chennai	2005-06 to 09-10
56.	Guru Nanak College, Chennai	2007-08 to 09-10
57.	D.K.M. College for Women, Vellore	2007-08 to 09-10
58.	Auxilium College for Women, Vellore	2008-09 to 09-10
59.	C.Abdul Hakkam College, Melvisharam	2008-09 to 09-10
60.	Sacred Hearts College, Tirupattur	2008-09 to 09-10
61.	Pachaipappa's College for Men, Kancheepuram	2007-08 to 09-10
62.	Pachaipappa's College for Women, Kancheepuram	2007-08 to 09-10
63.	Kandaswamy Naidu College, Vellore	2009-10
64.	Nirmala College for Women, Coimbatore	2008-09 to 09-10
65.	PSGR Krishammal College for Women, Coimbatore	2008-09 to 09-10
66.	Sri.Ramakrishna Mission Vidyalaya College of Arts & Science, Coimbatore	2009-10
67.	CBM College, Kovaipudur, Coimbatore	2008-09 to 09-10
68.	Nallamuthu Gownder Mahalingam College, Pollachi	2007-08 to 09-10
69.	Erode Arts College, Erode	2008-09 to 09-10
70.	Sri Vasavi College, Erode	2008-09 to 09-10
71.	JKK Nataraja College of Arts & Science, Coimbatore	2008-09 to 09-10
72.	C. Kandaswami Naidu College, Cuddalore	2006-07 to 09-10

Sl. No.	Name of the body/authority	Year for which accounts have not been received
73.	Sri. Saradha College for Women, Salem	2009-10
74.	Pachaiyappa's College, Chennai	2005-06 to 09-10
75.	Khadir Mohideen College	2009-10
76.	Sarada College for Physical Education for Women, Salem	2006-07 to 09-10
77.	Salem Sowdeeshwari College, Salem	2009-10
78.	Sri Pushpam, College	2007-08 to 09-10
79.	Sri Sarada College of Education ,Salem	2008-09 to 09-10
80.	Gobi Arts and Science College, Gobichettipalayam	2001-02 to 09-10
Schools		
81.	TVR Avvai Home Higher Secondary School	2009-10
82.	Gopalapuram Boys Higher Secondary School	2007-08 to 09-10
83.	Lady Sivaswamy Iyer Higher Secondary School	2006-07 to 09-10
84.	Ramakrishna Higher Secondary School	2007-08 to 09-10
85.	Sacred Heart Girls Higher Secondary School Coimbatore	2008-09 to 09-10
86.	Sri Ahobilmutt Oriental Higher Secondary School	2007-08 to 09-10
87.	The Children's Garden Higher Secondary School	2007-08 to 09-10
88.	KTCT Higher Secondary School	2006-07 to 09-10
89.	Donbosco Higher Secondary School	2006-07 to 09-10
90.	St.Antony's Higher Secondary School	2009-10
91.	NGNG Higher Secondary School	2008-09 to 09-10
92.	RVG Higher Secondary School	2008-09 to 09-10
93.	CSI Monahan Girls Higher Secondary School	2006-07 to 09-10
94.	Daniel Thomas Girls High School	2008-09 to 09-10
95.	KC Sankaralinga Nadar Higher Secondary School	2008-09 to 09-10
96.	Kellet Higher Secondary School	2007-08 to 09-10
97.	Kumararaja Muthiah Higher Secondary School	2008-09 to 09-10
98.	Maha Ganesa Vidyalaya	2006-07 to 09-10
99.	Muthiah Chettiyar Higher Secondary School	2002-03 to 09-10
100.	NKT National Girls Higher Secondary School	2009-10
101.	P.S. Higher Secondary School	2009-10
102.	Presidency Girls Higher Secondary School	2007-08 to 09-10
103.	PSG Mahajana Higher Secondary School	2006-07 to 09-10
104.	Sri Kanniga Parameshwari School	2008-09 to 09-10
105.	St Philomena Girls Higher Secondary School	1995-96 to2009-10
106.	Tiruvalluvar Higher Secondary School	2007-08 to 09-10
107.	Islamiah Boys Higher Secondary School	2006-07 to 09-10
108.	Concordia Higher Secondary School	2006-07 to 09-10
109.	Vivekananda Higher Secondary School	2007-08 to 09-10
110.	UDV Higher Secondary School	2007-08 to 09-10
111.	Thiakesar Alai Higher Secondary School	2007-08 to 09-10
112.	St Xaviers Higher Secondary School	2007-08 to 09-10
113.	St Philomena Girls Higher Secondary School, Trichy	2007-08 to 09-10
114.	St Josephs Girls Higher Secondary School, Trichy	2007-08 to 09-10
115.	St Josephs College Higher Secondary School, Trichy	2007-08 to 09-10

Sl.No.	Name of the body/authority	Year for which accounts have not been received
116.	St Annes Girls Higher Secondary School	2007-08 to 09-10
117.	Selva Damodharan Higher Secondary School	2008-09 to 09-10
118.	Saint James Higher Secondary School	2007-08 to 09-10
119.	Sacred Heart Higher Secondary School, Trichy	2007-08 to 09-10
120.	RC Higher Secondary School, Trichy	2003-04 to 09-10
121.	Ponniah Higher Secondary School, Trichy	2009-10
122.	Periyal Mariyammal Girls Higher Secondary School	2007-08 to 09-10
123.	Nehru Higher Secondary School	2006-07 to 09-10
124.	Mukkulatur Higher Secondary School ,Trichy	2007-08 to 09-10
125.	Methodist Girls Higher Secondary School	2007-08 to 09-10
126.	Little Flower Girls Higher Secondary School Trichy	2009-10
127.	Kajamian Higher Secondary School	2007-08 to 09-10
128.	KAP Vishwanathan Higher Secondary School	2006-07 to 09-10
129.	Holy Redeemers Girls Higher Secondary School	2009-10
130.	Holy Cross Girls Higher Secondary School	2007-08 to 09-10
131.	ER Higher Secondary School Trichy	2009-10
132.	Dalmia Higher Secondary School Trichy	2006-07 to 09-10
133.	R.K.M. Sarada Vidyalaya	2009-10
134.	Ranimeyyammai Girls Higher Secondary School	2009-10
135.	St. Helen Girls Higher Secondary School	2007-08 to 09-10
136.	St. Annes Higher Secondary School	2009-10
137.	Vellayan Chettiyar Higher Secondary School	2008-09 to 09-10
138.	Baldevdas Kikani Vidhya Mandir	2006-07 to 09-10
139.	Bishop Ubagaraswamy Higher Secondary School	2006-07 to 09-10
140.	CSI Boys Higher Secondary School	2006-07 to 09-10
141.	Gandhi Kalanilayam Higher Secondary School	2007-08 to 09-10
142.	Mahajana Higher Secondary School	2006-07 to 09-10
143.	Boys Higher Secondary School	2007-08 to 09-10
144.	Boiler Plant Higher Secondary School	2009-10
145.	Bishop Herber Secondary School Trichy	2009-10
146.	Abbot Marcel R C Higher Secondary School	2008-09 to 09-10
147.	DRBCC Chettys Higher Secondary School	2006-07 to 09-10
148.	George Higher Secondary School	2006-07 to 09-10
149.	GRM Higher Secondary School	2006-07 to 09-10
150.	Finlay Higher Secondary School	2006-07 to 09-10
151.	Subramania Shastri Higher Secondary School	2007-08 to 09-10
152.	St Annes Girls Higher Secondary School, Tiruvannamalai	2007-08 to 09-10
153.	Sri Sreenivasa Higher Secondary School	2007-08 to 09-10
154.	Dominic Savior Higher Secondary School	2007-08 to 09-10
155.	Veeraraghava Higher Secondary School	2009-10
156.	Umamaheshwari Higher Secondary School	2008-09 to 09-10
157.	Ukkadai A Appavoo Thevar Higher Secondary School	2007-08 to 2009-10
158.	Town Higher Secondary School	2007-08 to 09-10
159.	Tiruvadurai Adhinam Higher Secondary School	2009-10
160.	The High School, Umayalpuram, Thanjavur	2009-10

Sl.No.	Name of the body/authority	Year for which accounts have not been received
161.	The Crescent Higher Secondary School	2008-09 to 09-10
162.	Srinivasa Rao Higher Secondary School	2009-10
163.	Sri Saraswati Patashala Girls Higher Secondary School	2008-09 to 09-10
164.	Sir Sivaswami Ayyar Higher Secondary School	2008-09 to 09-10
165.	Sacred Heart Higher Secondary School , Thanjavur	2007-08 to 2009-10
166.	Saint Peters Higher Secondary School	2008-09 to 09-10
167.	Saint Josephs Girls Higher Secondary School, Thanjavur	2009-10
168.	Saint Gabriels Girls Higher Secondary School	2009-10
169.	Saint Anthony Higher Secondary School	2008-09 to 09-10
170.	Regina Caeli Girls Higher Secondary School	2008-09 to 09-10
171.	P.V Selvaraj Girls Higher Secondary School	2008-09 to 09-10
172.	Oriental Higher Secondary School	2009-10
173.	Native Higher Secondary School	2008-09 to 09-10
174.	Little Flower Higher Secondary School, Thanjavur	2009-10
175.	Kumara Gurupara Swamigal Higher Secondary School	2005-06 to 09-10
176.	Kalyanasundaram Higher Secondary School	2009-10
177.	Blake Higher Secondary School, Thanjavur	2009-10
178.	Banadurai Higher Secondary School	2009-10
179.	Arulneri Higher Secondary School	2008-09 to 09-10
180.	Veeralakshmi Vidyalaya High School	2008-09 to 09-10
181.	Vasavi Higher Secondary School	2008-09 to 09-10
182.	Vaideeswari Higher Secondary School	2008-09 to 09-10
183.	Little Flower Higher Secondary School, Salem	2007-08 to 09-10
184.	St Pauls Higher Secondary School	2007-08 to 09-10
185.	St Marys Girls Higher Secondary School	2008-09 to 09-10
186.	St Josephs High School	2007-08 to 09-10
187.	Sri Sarada Vidyalaya For Girls Higher Secondary School	2009-10
188.	Sri Sarada Vidyalaya Higher Secondary School	2007-08 to 09-10
189.	Sri Ramakrishna Saradha Girls Higher Secondary School	2007-08 to 09-10
190.	Saint Marys Girls Higher Secondary School	2008-09 to 09-10
191.	Saint Joseph Girls Higher Secondary School	2008-09 to 09-10
192.	Nirmala Higher Secondary School	2007-08 to 09-10
193.	Neelambal Subramanian Higher Secondary School	2008-09 to 09-10
194.	Nazareth Girls Higher Secondary School	2008-09 to 09-10
195.	Jeyarani Girls Higher Secondary School	2009-10
196.	Gugai Higher Secondary School	2008-09 to 09-10
197.	Gokulanatha Hindu Mahajan Boys School	2009-10
198.	CSI Good Sheperd Higher Secondary School	2008-09 to 09-10
199.	Bharathi Vidyalaya Higher Secondary School	2008-09 to 09-10
200.	National Girls Higher Secondary School	2006-07 to 09-10
201.	JKK Rangammal Girls Higher Secondary School	2007-08 to 09-10
202.	DBTR National Higher Secondary School	2006-07 to 09-10
203.	Saint Anthony Higher Secondary School	2006-07 to 09-10
204.	SSKV Girls Higher Secondary School	2007-08 to 09-10
205.	Sri Ramakrishna Mission Girls Higher Secondary School	2006-07 to 09-10
206.	Sri Ramakrishna Mission Boys Higher Secondary School	2007-08 to 09-10
207.	Hindu Higher Secondary School	2006-07 to 09-10

Sl.No.	Name of the body/authority	Year for which accounts have not been received
208.	St. Aloysius Higher Secondary School	2007-08 to 09-10
209.	St. Marys High School	2009-10
210.	Sengutharaya Higher Secondary School	2007-08 to 09-10
211.	Sakthi Higher Secondary School	2007-08 to 09-10
212.	Saint John De Britto Girls Higher Secondary School	2009-10
213.	Palaniammal Higher Secondary School	2009-10
214.	Kalamagal Kalvi Nilayam Girls Higher Secondary School	2007-08 to 09-10
215.	Gandhi Kalvi Nilayam Higher Secondary School	2009-10
216.	Central Higher Secondary School	2007-08 to 09-10
217.	St. Annis Higher Secondary School	2005-06 to 09-10
218.	Sri Ramalingar Higher Secondary School	2007-08 to 09-10
219.	SK Velayutham Higher Secondary School	2006-07 to 09-10
220.	Girls Christian Higher Secondary School	2007-08 to 09-10
221.	TA Ramalinga Chettiyar Higher Secondary School	2007-08 to 09-10
222.	Sri. Visalakshi Girls Higher Secondary School	2009-10
223.	Sri. Venkata Krishna Higher Secondary School	2008-09 to 09-10
224.	Diamond Jublee Higher Secondary School, Gobichettypalayam	2008-09 to 09-10
225.	Sacred Heart Girls Higher Secondary School , Thanjavur	2009-10
226.	National College Higher Secondary School, Trichy	2007-08 to 09-10
227.	TA Higher Secondary School, Thanjavur	2009-10
State Miscellaneous		
228.	Madras Institute of Development Studies	2006-08 to 09-10
229.	Madras School of Economics	2006-09 to 09-10
230.	Madras School of Social Work	2006-08 to 09-10
231.	Nilgiris Adivasi Welfare Association, Kothagiri	2006-08 to 09-10
232.	Salem District Blindness Control Society	2006-08 to 09-10
233.	Spastic Society of Tamil Nadu	2005-07 to 09-10
234.	Sports Development Authority	2006-08 to 09-10
235.	Squash Federation of India	2006-08 to 09-10
236.	State Institute of Rural Development	2004-06 to 09-10
237.	Tamil Nadu Energy Development Agency	2008-09 to 09-10
238.	Tamil Nadu Institute of Labour studies	2005-07 to 09-10
239.	Tamil Nadu Khadi and Village Industries Board	2006-08 to 09-10
240.	Tamil Nadu Science and Technology Centre	2005-07 to 09-10
241.	Tamil Nadu Social Welfare Board	2007-09 to 09-10
242.	Tamil Nadu State Council for Higher Education	2007-08 to 09-10
243.	Tamil Nadu Watershed Development Agency	2006-07 to 09-10
244.	Zoo Authority of Tamil Nadu	2008-10
245.	District Blindness Control Society, Salem	2006-08 to 0910
246.	Tamil Nadu Wakf Board	2006-08 to 0910
247.	Tamil Nadu Co-operative Marketing Federation	2005-07 to 0910
248.	Tamil Nadu Pollution Control Board	2002-03 onwards
249.	Tamil Nadu Construction Workers Welfare Board	2008-09 to 09-10
250.	Tamil Nadu Urban Finance & Infrastructure Development Corporation Ltd.	2007-09 to 09-10

Sl.No.	Name of the body/authority	Year for which accounts have not been received
251.	Chennai Metro Water Development Authority, Chennai	2009-10
252.	Tamil Nadu Housing Board	2008-09 to 09-10
253.	Tamil Nadu Horticulture Agency, Chennai	2008-2009 onwards
Forest Development Agencies		
254.	Vellore	2007-08 to 09-10
255.	Tiruvannamalai	2007-08 to 09-10
256.	Nagercoil	2007-08 to 09-10
257.	Erode	2007-08 to 09-10
258.	Kallakurichi	2009-10
259.	Kancheepuram	2007-08 to 09-10
260.	Trichy	2007-08 to 09-10
261.	Pollachi	2007-08 to 09-10

Appendix 3.3

(Reference: Paragraph 3.3; Page 47)

Department/category wise details in respect of cases of loss to Government due to theft, loss of Government material

Name of Department	Theft		Loss of Government Material		Total	
	Number of Cases	Amount (₹ in lakh)	Number of Cases	Amount (₹ in lakh)	Number of Cases	Amount (₹ in lakh)
Agriculture	..	..	109	164.31	109	164.31
Animal Husbandry and Fisheries	..	..	33	5.96	33	5.96
Backward Classes and Social Welfare	-	-	2	2.73	2	2.73
Health	10	5.93	15	15.24	25	21.17
Revenue	..	..	3	1.50	3	1.50
Public Works	..	..	13	7.19	13	7.19
Finance	..	..	1	5.68	1	5.68
Rural Development	..	..	8	6.49	8	6.49
Public	..	..	1	0.03	1	0.03
Education	..	..	22	6.00	22	6.00
Environment and Forest	..	..	6	0.87	6	0.87
Labour and Employment	..	..	1	2.61	1	2.61
Prison	..	..	1	..	1	..
Tamil Nadu Electricity Board	1	0.07	..	..	1	0.07
Transport	1	1.97	..	..	1	1.97
Handlooms and Handicrafts (Sericulture)	1	0.05	..	..	1	0.05
Total	**13**	**8.02**	**215**	**218.61**	**228**	**226.63**

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